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# ***JPRS Report***

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# **East Europe**

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# East Europe

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### Overhaul of State Security Service Urged

AU2306142392 Tirana ALTERNATIVA SD  
in Albanian 5 Jun 92 p 3

[Article by Enver Goxha: "A New and Pure National Information Service Is Needed"]

[Text] In his book, *Seven Sins of Death*, the distinguished writer Billy Graham writes: "A believer thought that it was not good to speak about sins in the presence of children because they will develop a desire to commit sins themselves. The soothsayer who was listening to him took a bottle of poison, took off its label, on which was written 'poison,' and stuck another label with 'bonbons' written on it. After this, he turned to the believer: 'Do you not consider this bottle a danger for your child now that I have changed its label?' The writer later continues: 'We have recently made soft remarks about sins. We have called them delicate, negative acts, forgiven sins. It is now high time to put the inscription 'poison' on the bottle of poison and not to invent truths from the Bible, which speaks about the tragic and terrible consequences of sin.'"

Does not the changing of the name of the State Security [SSh] into ShIK [National Information Service] resemble the plot of this story? I think it does. For almost a year the SSh has been enjoying its new coat "ShIK," hiding its sinful clothes. Many articles have been published during this year and even before stating with facts that this service has not changed, but these have fallen on deaf ears. The security army is there, vivid, and active, despite bearing the sins of pursuing, imprisoning, prosecuting, exiling, evicting, urbanizing, and picking up for political motives thousands of people. I would not make any mistake if I compared the SSh to a real crematorium of the minds of Albanians.

The most fanatic extremists and the most determined communists, who proved themselves loyal to the Workers' Party, especially at the most delicate moments during the democratic revolution of 1990-91, were appointed to many leading positions in the so-called ShIK and still continue to hold these posts. Most of them are cadres who belonged to the nomenclature of the Politburo and Mihal Bisha. There is no greater dread for the convicted political prisoners than to be still jobless and homeless. Their prosecutors, on the other hand, were granted a quadrupled wage rise along with the ranks of colonel and lieutenant colonel.

The examples are numerous. The chief of an Interior Affairs Department [DPB], who until yesterday protested to the highest institutions against the decision by the Supreme Court Penal College to acquit a person he has himself denounced for "hostile agitation and propaganda," is at present the director of the ShIK Code Service. The post of the chief of staff at one sector is entrusted to one of the collectors of signatures for the notorious association "Volunteers of Enver." The ShIK graded lieutenant colonel the chief of one of the SSh Directorate departments, a person who, just like many of

his colleagues, organized anonymous threatening and insulting telephone calls against top opposition leaders. The task of the chief at one of the most delicate and trustworthy ShIK departments was entrusted to the SSh's "representative" who expressed the solidarity of this institution with those who organized the coup d'etat at the military schools in February 1991. Those who supplied ZERI I POPULLIT with anonymous articles on biographies of political prisoners and opposition leaders have taken over important posts in this service and in the Public Order Ministry [MRP].

Without excluding those of the MRP, the ShIK leaders are still not "going against their principles" by employing people from among those convicted or prosecuted for political crimes or their children in this service.

The sole way to democratize the ShIK is to immediately discharge compromised people from this service. This can only be done through tests. As regards those whom they intend to keep in this service, they should consider opening the files of those persons that they have pursued, processed, convicted, exiled, and evicted, as well as the decisions they have compiled and approved. We should also include here those cadres who had previously worked at the SSh and then moved to the police sectors.

Regardless of the test, I think that we should not entrust any of the cadres who were section chiefs and above in the SSh administration or those in SSh service abroad for at least five years with leading positions in the ShIK or police. The responsibility and burden of their sins is such that many persons suffered. It is tendentious to confine the group of sinners to officers over age 50. Thus, the cadres mentioned above are under 40. They were the most active in objecting to the democracy movement.

The one-year period allowed the ShIK to burn thousands of files and secret compromising SSh documents, to burn a very important part of our nation's history. Statements that not a single document was burned are not true. Let the parliamentary group and specialists representing the democratic state verify this charge in the various security agencies. Those responsible should face the law, whoever they are. Those who have attempted to hide the tracks of this massacre should be responsible.

The breakup of the existing ShIK is essential. While the scalpel would be sufficient to cleanse the wounds in other ministries, the ShIK cancer touched the vital parts of its own body, so surgery and treatment would be useless. Completing its staff with educated, capable, honest, and dedicated people through carefully selecting them from the ranks of uncompromised operative workers on the basis of the criteria mentioned previously, would open new horizons for this service and finally free it from the past. Opening courses of several months duration with cadres who have graduated from the university and mastered foreign languages would serve to gain the time lost during this year. I think that we should reduce its staff and structure without hesitation. It would perhaps

be more rational for the ShIK to be a directorate with special departments within the MRP system. This would lead to the merging of many parallel directorates, such as those for communications, logistics, administration, management, etc.

### Article Appeals for Investment by Diaspora

AU2206090292 Tirana BASHKIMI in Albanian  
11 Jun 92 pp 1-2

[Article by Lllazar Vero: "Why Are Albanian Millionaires Being Hindered?"]

[Text]

#### Introduction

The history of the Israelites is a rare story of the survival of a scattered, persecuted, despised, but undefeated people. Thanks to their culture and patriotism and their religion, which was so closely tied to the homeland of their ancestors, thanks to their sacrifices and unity, they succeeded in recreating their state virtually from nothing.

This is a great lesson for the peoples of the entire world, and a lesson for our people too, who are as ancient as the Jews. Especially at these very difficult times through which our country is passing, it is a vital necessity to apply the experience of the Israeli people. The Albanians can and must build Albania. Let this be the motto of every Albanian wherever he may live, within or beyond the mother territories. There are several million Albanians scattered throughout the world. There are a considerable number of Albanian firms and entrepreneurs in the world. An approximate calculation performed by Albanian emigres themselves has resulted in the figure of more than 500,000 such firms. What a major resource for our nation they represent! However, who will activate them, when, and how? Time will not wait. It would be more honest and dignified to extend our hand to our brothers of one blood and one language, the sons of one mother—Albania—than to expect, collect, and place our sole hopes in the aid that foreigners may give us. We are grateful for all they have done, but the time has now come to turn to the Albanians. Let us hold a national assembly of Albanian businessmen as soon as possible. Every hour that is wasted is an incalculable loss. They have experience, knowledge, and wealth that has so far benefited the world in which they live, the world that welcomed them. The time has now come for every exile in whose veins a drop of Albanian blood flows to give something for his mother Albania. She and an entire people will be grateful to them for ever.

It is up to the president, Mr. Sali Berisha, and the government to set in motion this huge wealth that is in the hands of the Albanians. The history of the people will never forget this.

In order to illustrate the force of such a movement, I will conclude this introduction by citing the most recent

example of a neighboring people, the Croats. Within 30 days, the people collected several million U.S. dollars from this people's exiles and the diaspora. This requires no comment. This is where the experience is. Do the Croats love their homeland more than the Albanians? No honest Albanian could admit this. The Albanians only require conditions and only need to hear the call of the homeland, and the world will see that they can work miracles.

#### \$500 Million Forgotten

In 1989, a group of Albanian emigrants put forward the idea of creating a national savings bank on the basis of international law, into which Albanian emigres would pour their savings. According to approximate calculations, if only 500,000 of the several million Albanian emigres committed themselves to this campaign and pledged a minimum savings deposit of \$1,000 a year for our poor country, this would amount to the considerable sum of \$500 million, more than the entire exports and imports of Albania in one year.

We also discussed this idea with experts from the Finance Ministry, the State Bank, etc., who confined themselves to approving the idea. We sent a report to the Carcani government and talked informally with certain of its representatives, but nothing more than a verbal approval followed. A Finance Ministry specialist later mentioned this idea in an article published in BASHKIMI in 1991. Again silence. That is how it has been until today.

Could this idea be made a reality today? I believe it could. However, besides legal conditions, this requires the organization of what we might call propaganda in our press, on our international radio, in our embassies, patriotic associations, etc. Nothing "exists" if it is still unknown and is not publicized. Political and social conditions are more than ripe today. Where is the obstacle? The need is more than great and more than urgent. Alongside the humanitarian aid that Europe and the world is giving us, let us appeal to the hearts and patriotic consciences of the Albanians wherever they live. They will respond.

We have some more reasons to do this now. We also have abroad the most recent wave of Albanian economic emigration of the last two years, which is almost as numerous as the Albanians who we calculated might involve themselves in this campaign, i.e. 500,000. These are even more strongly motivated and have strong ties to their country, their families, and our problems. Their grief and their patriotism are fresher.

In this period, there have been four governments in Albania, and the one we have now is the fifth, but nothing has been done to attract the contribution of Albanians throughout the world. The National Stability Government included in its program attracting investment from Albanian emigres, but it could not do anything either. Let us place our hopes in the present government.



### Billions Received With Indifference

A few days ago, I read in the newspaper FLATRA an interview with Mr. Bajram Murati, an Albanian emigre from Australia, who is the proprietor of the Isis Corporation and the president of a private bank. He has come three times to Albania with proposals and bank offers and three times has departed, weary of bureaucratic delays and silence. He talked with the Ministry of Foreign Economic Relations and the oil department of the Ministry of Industry and Energy, but again—silence. I am not a financial specialist, an economist, or a lawyer, but I know that there is a definite logic behind every action. Why should we therefore continue to talk about the good of the people and the homeland?

As we said, Mr. Bajram Murati did not come with his arms akimbo, but with specific proposals for action. This is part of the training that he has gained in the business world since his departure from Albania in 1948. In the name of his group and the bank he represented, he tried to buy the Albanian Trade Bank, bringing to Albania no less than \$2,500 million, 60 percent of which was to be used for the construction of 10,000 houses every year, to be given to our citizens on 30-year mortgages, and 20 percent of which was to be used to encourage investment in small and medium-sized businesses, etc. He came from the world of the market economy, which we wish to move toward. We could have talked to him and ways could have been found. He was disappointed. That was the final impression of Mr. Murati and the two major businessmen he had brought with him from Hong Kong and Australia.

What is going on?

For me as a journalist, there is little to be surprised at in this, and I can only share their disappointment and displeasure. I say this on the basis of the relations so far between our government and rich Albanians who are determined to invest in their homeland. Two of them are Messrs. Hajdin Sejdia and Ekrem Bardha. It is Mr. Sejdia who has been most insistent in his determination, and who has long been a well-known personality in our newspapers. So much rumor and speculation has been written, that I no longer believe anything. No criticism has been supported by documentary evidence. Of the governments, as they succeeded each other, one approved the investments, the next canceled this approval, and everything started from the beginning again. It is not difficult for a state to understand with whom it is dealing and what it must do. I am sure of this. If Mr. Hajdin Sejdia is a dubious individual, then show him the door. Is a solution of this kind so difficult? No businessmen or merchant would have persisted for as long as Mr. Sejdia, unless motivated by an ardent feeling of patriotism.

If Mr. Sejdia were to sue the Albanian Government, a friend told me one day, over the obstruction of the work of the bank for which all the documents had been completed, our state would be obliged to pay at least \$78,000 for every day lost, without calculating other penalties. What about the \$200 million that lay unused by our national economy for several months? What about the suspension of work on the hotel?

One might say more or less the same things about the efforts and difficulties of Mr. Ekrem Bardha, with the small difference that he had the good luck not to suffer the attentions of our "objective" press.

We might say the same about dozens of other less wealthy Albanian investors, who have been wandering for months and years on end from one office to another, from one ministry to another, and from one law to another, without anything ever getting done.

Let us return to a fact mentioned at the beginning of this article. We said that more than 500,000 large and small Albanian firms are known in the world. If each of these were to invest \$100,000, we would have the colossal investment of \$50 billion. Let us allow one in 10 of them, and the sum is still \$5 billion, which would be more than enough.

Let us return again to the idea of the Albanian Savings Bank. If each firm were to deposit \$10,000, this again amounts to \$5 billion. I am sure that every proprietor would grant the homeland \$10,000, if he could only be sure that it would be used sensibly.

All these calculations that seem so fantastical call for only one thing: Work, the law, and honesty.

Behind them lie hundreds of desires and thousands of hopes to start work in this very difficult time of crisis, poverty, and unemployment.

This is one of the most primary problems that the new parliament must deal with in its first days. However, from what we see and hear, we have begun again with the same old tune, with the suspension of earlier laws and decrees and the expectation that other new ones will be formulated.

There is nothing we can say, except to express the hope that these laws may be final and that they may be made as soon as possible. The parliament must not underestimate for a moment the inexhaustible opportunities of the Albanian world to transform Albania into the country that all genuine patriots would wish it to be. Let the most courageous therefore begin, and dozens and hundreds of others will follow.

Albania will become beautiful and strong, but it will seem more beautiful to us when all Albanians, wherever they may live, have poured into it their sweat and effort.

### Government Adopts Concept on Army Reform

AU2306201092 Sofia BTA in English 1844 GMT  
23 Jun 92

[Text] Sofia, June 23 (BTA)—The government adopted the new structure of the Bulgarian Armed Forces today, the deputy chief of General Staff, General Chavdar Chervenkov, told the press today. The restructuring of Armed Forces is part of a wider concept of military reform and envisages the transition to a brigade-corps principle of army organization.

The Council of Ministers discussed the problems of the military reform in a three-hour private meeting with the participation of military experts.

The cabinet gave the green light to the Army's restructuring programme which should take effect shortly, "financial and material resources permitting," General Chervenkov said.

The restructuring is planned as the first stage of the reform, which should be completed by the end of 1993. The second stage of re-deployment should be over by late 1995. A rearmament is also envisaged in somewhat longer terms. General Chervenkov however believes a certain extension of the time limits possible for purely financial reasons.

Following its restructuring, the Bulgarian Army would acquire a defense configuration in compliance with the country's new military doctrine and the political declarations on Bulgaria's renunciation of territorial claims to any of its neighboring countries, General Chervenkov believes.

### Stoyanov on Progress of Land Restitution

AU2406204692 Sofia 24 CHASA in Bulgarian  
18 Jun 92 p 10

[Interview with Agriculture Minister Georgi Stoyanov by Dimitur Genchev; place and date not given: "Georgi Stoyanov: Most Land Will Be Returned by Beginning of 1993"]

[Excerpts] [Passage omitted]

[Genchev] What can you tell us about the ministry's new functions and role?

[Stoyanov] I will not grade the functions because they are all important. The land reform, and more specifically the judicial restoration of ownership, is the most important task of the ministry. In addition, we clarify the tasks of the liquidation councils and accelerate and assist their work, so that people could receive their share of the property of the former collective agrarian farms.

Last, but not least, there is the privatization of the major pig and poultry farms because otherwise they could not exist. The total debts of those farms amount to 2.5 billion leva. After privatization, the new owners will find

that the grain producers are their natural partners. Thus, a wholesome and efficient production cycle will be created. [passage omitted]

[Genchev] Could you commit yourself to specific terms as far as the restitution of land is concerned? Would the new postponement of the final date for filing applications to August delay the land reform?

[Stoyanov] Restituting property is a two-sided process that requires activity on the part of both the owners and the land commissions. The situation with the applications varied from place to place because, in some places, almost the entire land has been claimed back, while, in other places, the percentage is much lower. I do not think postponing the term of filing applications will delay the reform.

We analyze the activity of the dissolved National Land Council to find out where we can advance to the final stage of restituting property—the judicial stage. I would like to believe that in most cases the land will be restituted by the beginning of 1993. [passage omitted]

[Genchev] At certain places there were sharp conflicts with the liquidation councils....

[Stoyanov] I think they were a tempest in a teapot, and, anyway, they are over. In most cases, they were a result of the lack of information on the part of the people about their real rights, and ignorance of the law. In many places, the problems were caused by certain individuals. Generally, the term of forming those councils was very short.

About 2,500 collective agrarian farms and similar structures were to be liquidated. It is possible that mistakes were committed in some places, but the oblast managers can replace members of the liquidation councils if this is necessary.

In this context, it must be said to the people: State employees were sent to you to do your job—to liquidate the collective agrarian farms and restore your land and property. Of course, in some places, there are evil people who must be isolated.

[Genchev] The opposition newspaper wrote that there is an imbalance of the planted plots, that the yield will be very poor, and that the foodstuffs will be insufficient. Is this true?

[Stoyanov] Of course not! If you remember, last year they told the same tales, but no one went hungry. There is no reason for panic. Simply, some people cannot get used to the thought that we are marching toward a market economy and that the planned economy is a sad story of the past. The ministry does not directly interfere in the production process. No one tells the owners what to plant. The market is the only regulating instrument. [passage omitted]

[Genchev] Will there be a market for our agrarian produce? For example, will we be able to market our

goods as a part of the forthcoming aid from the West for the former USSR? In addition, is there any progress in the talks about our association in the EC in anything related to agriculture?

[Stoyanov] Yes, I hope that we will participate in the so-called triangle operations in the Commonwealth of Independent States, but there also is the issue of Bulgaria's permanent presence in the market of the former

USSR. This could be implemented, but only if the quality of our goods is improved.

The talks about our association in the EC began well, and we actively participate in them. We have prepared a comprehensive report on our possibilities and about the quantity and quality of production. We hope we will be associated with the EC faster than the CSFR, Poland, and Hungary. [passage omitted]

### **Alleged Lack of Czech Will To Change Views**

92CH0647B Prague LIDOVE NOVINY in Czech  
5 Jun 92 p 8

[Article by Petr Prihoda: "Fear Leads to Separatism"]

[Text] *Where are the times of the public jousting between Mr. Meciar and Mr. Markus, when Czech viewers were rooting for the then Slovak prime minister against the scowling cultural nationalist? The former of the two has, in the meantime, undergone a 180-degree turnaround: The one-time federalist has become a fairly likely separatist and today discusses his conditions for a possible coexistence with the Czechs. Is that not infuriating?*

Meciar's shift, which is shared by a considerable portion of the Slovak electorate, is matched on the Czech side by a shortage of any kind of change in the attitude toward a joint state. "Whether anyone likes it or not, the traditional position of the Czech public and its politicians with respect to Slovakia requires change," says the director of the Research Department of Radio Free Europe, Vladimir Kusin, and he is not completely alone in this. This did not occur during two post-November years. The system of two mutually incompatible elements is becoming highly unstable and it matters little whether anyone is to blame for this or not.

The possible disintegration of the state can be categorized 100 times as being unconstitutional and we will not influence the political history that way. History turns out to be a history of constitutionality as well as unconstitutionality. It simply happens without regard to legal rationality.

The Czech-Slovak relationship was, is, and will be asymmetrical no matter whether this asymmetry is smoothed over or not matter with parity. There are fewer Slovaks, their economy is less efficient, and their land is less productive. Therefore they were, are, and will be overshadowed by Czech predominance. To the extent to which living together with the Czechs should turn out to be worthwhile for them, the Czechs should have to pay them for their willingness. We can haughtily dismiss the Slovaks longing for making themselves visible by saying that the Slovaks should themselves do something to make them more visible. They cannot do so too well within an asymmetric union; they will always be less visible. I believe they know this.

In contrast to the Czechs, who have not changed their attitude toward Slovakia, the Slovaks are faced today by yet another fork in the road. They sense that the spontaneous forces of the market, which the Czechs will succeed in reviving more easily than the Slovaks, will intensify this asymmetry and will make Slovakia into an appendix of the Czech lands. They are afraid that history will repeat itself: That much as it happened during the First Republic, when the modest Slovak industry was dismantled, the industries of present-day Slovakia, which were unhappily invented in a socialist manner, will also fail and that this will result not only in

material hard times, but in hopeless hard times; accompanied by mass emigration and pressure which will compel the acceptance of finished products from elsewhere as well as methods worked out elsewhere. Going elsewhere, from elsewhere, elsewhere. This heavy burden has not been recognized by the Czechs to the same extent as it has by the Slovaks. From time immemorial, they had to leave their Slovak homeland en masse to go to the lower land, to the United States, to Bohemia. And when they wanted to handle their own affairs, they succeeded only once, in alliance with dirty power. Otherwise, they were constantly encountering stiff opposition which was brutal at one time and fraudulent at another time.

I therefore do not perceive so much arrogance as worry and fear in the voices of the so-called Slovak nationalists and separatists. A fear for which there is no understanding on the Czech side because here everything appears to be clearer and everything that has been desired is virtually within reach; and not even a half-starved person believes a hungry man. This Slovak fear is somewhat similar to the Czech fear that "the national wealth will be sold off." But that fear is not so great, is less widespread, and perhaps even less well-grounded. And any similarity between the two of us escapes us.

Perhaps we should not become so agitated by the strongman speeches of Mr. Meciar, nor by the cumbersome formulations of Mr. Prokes. We dismiss them because they appear to us to be injudicious. We thus, frivolously, overlook the symptoms which perhaps signal the Slovak decision to begin the game of *va banque* [game of chance]; the game involving the fate of Slovakia, surely without us, no matter what the cost. I admit with embarrassment that I am worried about its outcome.

### **Failures of Environmental Protection Noted**

92CH0647A Prague LIDOVE NOVINY in Czech  
5 Jun 92 p 8

[Commentary by Jaroslav Stoklasa: "An Impersonal Pronoun"]

[Text] *In recent weeks, various dailies published interviews featuring the former minister of the environment for the Czech Republic, Dr. Bedrich Moldan, in which he evaluates the results of two years of efforts intended to improve our environment. It must be said that his evaluation is highly critical.*

A lot was accomplished in those few months. It is only a question whether this should be judged as a success or as a failure. It is true, as noted by Dr. Moldan, that interest in the environment has declined among the citizenry. On the one hand, this is no longer a kind of secret antistate act and it is mainly the shock based on published hard facts that has lost some of its sensational value in the shadow of other contemporary affairs and problems.

But then there follows the critical evaluation of one achieved result after another: Not even one electric power plant was desulfurized, only a few of the water

purification plants which were under construction have been activated, and the budgetary funds to be devoted to this purpose were not successfully strengthened in a more meaningful manner. We were satisfied with creating ministries, but not enough ecological laws were passed and if they were, they were hastily conceived and unrealistically strict. If there are no funds, we should save them elsewhere, for example, the funds intended for reforestation in regions suffering from industrial emissions, because young trees will not take hold there anyway. But what is mainly missing are concepts and a set of selected priority solutions. All of this, according to Dr. Moldan results from the fact that decisions are made by bureaucrats rather than by specialists.

I would not like to evaluate as negative the speeches of my friend, coauthor, and longtime deputy chairman of the Ecological Section of the Czechoslovak Academy of Sciences, who deserves considerable credit for the activities of the academy in opposition to the former regime. We were all pleased to see him become the first environmental minister of the Czech Republic and to see him elected to the position of a delegate to the Czech National Council and we stood by him in all complicated moments prior to the time various suspicions that he collaborated with the StB [State Security] were clarified.

That is why I fail to understand his critical utterances aimed against his colleagues in ecological movements and organizations, who have taken up the thankless task

of rectifying the damages caused by long years of neglect for the environment in this country and who have now taken up high office. For at least one-half of the post-November period, Dr. Moldan was also in office as a minister and, thus, had the opportunity to create the necessary administrative and inspection structures and sets of priorities required. Later, as a delegate to the Czech National Council, he had the opportunity of not only merely approving laws (those times are surely over), but to help create them with initiative. Because in one way or another he was involved during this entire period, it is peculiar that he found so little that was positive regarding the results which have been achieved.

During those two years, I had the opportunity to attend many discussions at the republic and federal levels, or even at the international level. Very frequently, these negotiations were not simple, but in every case they pushed the solution to the problem forward by a good bit. The fact that we did not always succeed in the way we had wished was not only the fault of the bureaucrats or specialists, but quite frequently even of the politicians in their assemblies or even due to personal aversion.

And because, as of November 1989, Dr. Moldan became a specialist in charge of bureaucrats and later a politician, it would be possible to perceive his utterances as self-criticism, if only his statements did not contain that impersonal reflexive pronoun "it."



**Editorial on Abuse of 'Constitutionality'**

92CH0656A Budapest FIGYELO in Hungarian  
4 Jun 92 p 3

[Editorial by Ervin Csizmadia: "Could the Worth of Constitutionality Depreciate?"]

[Text] Any system that has extricated itself from the most primitive forms of behavior needs superior powers ordained to function above such a system, be those the mother land, water, the sun, the shaman, god, or laws created by legislators. In East-Central Europe we could also distinguish between the various former communist countries by the extent to which they have realized the concept of constitutional statehood characteristic of modern Europe, and by the degree to which the societies and politicians of the various countries have accepted the constitution as a superior standard.

Viewed as a matter of formality we could say that, as in many other respects, in this regard, too, Hungary has come closest to the Western pattern. From the standpoint of Hungarian politicians, the Constitution, the law of the land, represents a standard that is superior to everything—so much so that, from the standpoint of formality alone, we could be satisfied because the political elite of Hungary has passed the test in "constitutional law."

On the other hand, nothing shows more clearly that the situation is not so rosy, than the multitude of political developments of the past two years, and even more so, of recent days, that have ended up exploding around issues involving constitutionality or have invoked the Constitution itself. To mention just one recent example: Why is it, that while some ruling party representatives accuse the president of the Republic of violating the Constitution on several counts, the other side regards ruling party efforts to pass a resolution in parliament regarding the "excesses" of the president as violations of the Constitution? Isn't there a threat of the Constitution slowly becoming a flexible concept to be invoked by anyone, one that accommodates any and all interpretations a person could possibly attribute to it, i.e., isn't there a threat that the concept and role of the Constitution is being inflated?

As the dead body of the past system lay before us, it turned out that a consensus that had been believed to have been achieved regarding constitutionality did not exist; simply put, the new system did not have a law that would be automatically accepted by all. This phenomenon is not new to history; antishamans, antigods, antikings, and antiparlaments existed even in the most ancient times. Moreover, history is, indeed, replete with these. And yet, those who guided the Hungarian system-change were bitter and shocked to recognize that the Constitution had not performed its intended role, and that the most fervent "dogmatic disputes" had evolved around the interpretation of the Constitution. Various beliefs concerning the Constitution clashed and continue to clash, and the proponents of each of these regard

themselves as the sole authentic and rational representatives of the Constitution, of course. The present situation looks a bit like the situation when gods fought with each other to conquer souls. Today the constitution provides the main combat theater for the politicians of a modern society, especially in our region.

It would be foolish to deny that this is indeed a battle. One could also say that the situation is not limited, by far, to one in which one side tries to present professionally sound arguments, while the other interprets everything with a political slant. Skirmishes around the Constitution are characteristic of both sides, existing differences are a matter of magnitude, at best. This, however, should not mean that we must also hold identical views of both sides.

The situational advantage enjoyed by the ruling parties is apparent. They want to establish the "rules of the game," they love to invoke the fact of having acquired legitimacy from the voters, they want to interpret the Constitution. They claim to have a right to decide what is, and what is not constitutional. They want to designate which "god" is to be followed and which one is to be denied. They believe to be able to determine criteria for being "pagans." It is apparent that their arguments are based exclusively on legitimacy flowing from their position of power.

The opposition could also attempt to use political means against the ruling parties, if only because willingly or unwillingly, the Constitution is primarily a political issue, particularly in places where democracy has no centuries-old roots. Accordingly, the opposition pursues the appropriate path when it clearly defines the political elements of its position, and not when it tries to make us believe that its critique is not based on political considerations. No parliamentary opposition should ever believe that it could succeed simply by labeling its arguments as professionally sound arguments, while asserting that its opponents argue on political grounds.

Reverting to the issue presented in the title of this article: The worth of constitutionality could depreciate if it became the subject of political battles at a time when the various sides have failed to recognize that they lacked a strategy by which to handle a given situation. We could once again enumerate historical examples in which societies sought private gods and private laws for themselves against the "delusions" of grand politics. This threat is very real today. For the Constitution to amount to no more to citizens than the falsehood of (partisan) politics would be unfortunate.

**Domestic Demonstrations Listed, Analyzed**

92CH0620A Budapest HETI VILAGGAZDASAG  
in Hungarian 2, 9 May 92

[Article in two installments by Florian Mezes: "Demonstrations in 1990-92"]



[2 May pp 74-76]

[Text]

### Part I. Rapping the Government's Table

Since the commencement of the new parliament's term, the HUNGARIAN PRESS AGENCY has reported about 100 domestic demonstrations and other public expressions of opposition or support that required a license. Initially, the marches and protests often "sent messages" abroad, but by now primarily the government has increasingly become their target. Like in the case of the demonstration that the leader of the Smallholders Party had called for last weekend. However, the suspicion is hardly unfounded that politicians and political organizations are merely attempting to boost their own popularity in this manner. Below, in the first part of our article, we will attempt to summarize a few general features of our demonstrations in 1990-92.

The period of dignified and mournful demonstrations and parades in Hungary has probably come to an end. By now the torchlight and candlelight demonstrations held in the streets immediately before and after the change of political systems have been totally replaced by demonstrations fueled by wilder and more aggressive passions, and hence by demonstrations that are more likely to explode. With increasing frequency, such demonstrations are being called or hijacked by self-appointed popular leaders and soapbox orators who believe themselves to be in control of those passions. Last Saturday was virtually a specimen copy of this. It started out as a day of anger and became a day of opportunities. Hoarse from shouting, and marching at the head of his "masses," chieftain Torgyan contrasted sharply not only with the quiet and solemn prayer for social peace at the capital's Varosmajor church, but also with the more restrained, demonstrative political (party) consultations between the Democratic Forum and the Christian Democrats.

All this shows, among other things, that demonstrations, mainly because of their openness, have or can have a significance far beyond themselves, even when neither the organizers nor the demonstrators are striving to achieve it. For instance, the interested onlooker will obviously have compared the Smallholders Party president's attendance figures, according to which there were initially 150,000 and later 200,000 people taking part in the demonstration last Saturday, with the "head count" taken by the police—7,000 demonstrators on Hosok Square, about 10,000 on Kossuth Square—as well as with his own experience of how 150,000 actual people had filled Hosok Square, Felvonulasi Square and even the adjacent streets, say, during the pope's visit (in contrast with the handful of Torgyan supporters last Saturday, if all of them were indeed his supporters). Just as the interested onlooker had compared the prime minister's statement at the time of the 1990 student demonstration—"an insignificant minority"—with the about 10,000 students actually present. It was practically

superfluous for the interested onlooker to know also that two-thirds of Hungary's higher educational institutions had joined the demonstration but not every one of them had "sent" all their students.

In any case, it is becoming increasingly frequent by now that either the demonstrations and their speakers respectively lack credibility or the demonstrations' political assessments do, as well as the persons who prepare the assessments. Of course, at the very beginning—in 1990 and partially in 1991—even the world itself was clearer, and not just the purpose of the demonstrations. Demonstrations in those days were targeted outward, at other countries. Understandably, because the socialist "camp's" disintegration was at its peak, the former Soviet Union's member states were beginning to demand independence, and the Romanian state party and party-state were making their last bloody attempts to retain power. Then protests addressed to state parties still holding their own could be perceived as fighting on the barricades, just as demonstrations of the same nature may be regarded that way even today. After all, the real experience is (was) that "on our side" are the people who are changing the political system, while the people "on the other side" do not want a change of the political systems in their countries. That experience was only reinforced by the refusal of the embassies of, say, Romania, the Soviet Union and China to accept the petitions addressed to individual countries, in support of demands for national independence or in protest against bloodshed. However, profound social-psychology analyses would be needed to determine how much of a role the absence of real barricades here at home had played in this "barricade fighting" against foreign countries. Indeed, here at home the collapse of the state party and party-state practically without any transition, but certainly without any rearguard action, did not leave us any real chance to present as enemies on the barricades at least the prominent leaders of the former party and state. There was no real chance to say "they are fighting there, we here," because they quickly vanished from the political scene.

Naturally, this "feeling of frustration" with the change of political systems here at home was reflected also in the demonstrations; at least in the form of slogans, if in no other way. Since the taxi strike, the very first antigovernment demonstration (or rather, the first demonstration that turned into an antigovernment one), practically every domestic political protest has raised the demand of "punishing the criminals behind the old political system. The demonstrators expressed this demand in a variety of forms, ranging from signs and slogans reading "Down With the Communists," to combining on a single transparency on 15 March pictures of Valeria Benke (the chief of Hungarian Radio in 1956) and Elemer Hankiss (the current president of Hungarian Television). A feeling of frustration is the more likely explanation of this element's role in the demonstrations also because it usually manifested itself as an overtone of sorts, in protests staged for other purposes and basically different

demands. In terms of their essence and purpose, for instance, a 23 October demonstration is quite different from a Salgotarjan protest (last October, against the MSZMP [Hungarian Socialist Workers Party] Congress held there) at which the former political system's representatives could be cast, and were cast, as political enemies.

There were few specifically antigovernment demonstrations during the past two years. Which of course does not mean that there were no speeches, slogans or utterances directed specifically against the government. Indeed, the closer we come to the present time, the more frequently antigovernment sentiment became a concomitant of the demonstrations. Admittedly, the student demonstration at the end of 1990 was called in protest against the actions—more accurately, against the helplessness and pettifoggery—of the educational administration rather than of the government itself; but it was probably unavoidable that, on their political transparencies, the demonstrators extended their dissatisfaction to include the entire government. The same is true of, say, the demonstrations against unemployment, of the demonstrations by health-care workers for the improvement of their living conditions, or of the milk demonstration. Perhaps the first minidemonstration specifically against the government, and parliament as well, was staged last December (ambiguously as a protest against nationalist elements in foreign policy). And, naturally, last Saturday also Jozsef Torgyan convened his seance with appropriately strong antigovernment overtones.

A correlation probably can be found also between the increasing role of antigovernment sentiment and the fact that the demonstrations have become louder, that aggressiveness first surfaced and then spread—although without more serious consequences so far, confining itself mainly to gestures and words. After all, the participants at a demonstration are a crowd even if they number merely a few hundred. Which means that in this "outward form" they are highly susceptible to demagoguery. But demagoguery and susceptibility aside, the worsening living conditions—according to the Central Statistical Office, already 1 million and several hundred thousand persons are living below the poverty line—are providing ample fuel for social discontent. In that "light," the government and parliament are helpless not (only) because the enactment of legislation changing the political system is late, but (also) because "they still have not managed to enable us to live better." It is quite another question what impact the demagoguery, which lately is being precented from the speaker's rostrum, leaves on the participants once the demonstration's mood passes. Of course, the soapbox orators obviously believe that the demagoguery leaves a deep imprint. After all, did not the people nicely "vote for the government's resignation" last Saturday, for instance?

#### Budapest Demonstrations

On the basis of HUNGARIAN PRESS AGENCY reports, we have prepared the following summary of

demonstrations held in Budapest since May 1990. (A similar summary of the provincial demonstrations will appear in our next issue.)

#### 1990

**2 May.** With about 250 participants, FIDESZ [Alliance of Young Democrats] stages a demonstration in front of the American and Soviet Embassies, demanding the recognition of Lithuania's independence.

**11 May.** The Phralipe [Independent Gypsy Association] organizes a demonstration in front of the Romanian Embassy, to protest that in Romania the Gypsies have been made the scapegoats for the 20 March bloodshed in Marosvasarhely [Tirgu Mures]. (In Marosvasarhely, Romanian groups attacked ethnic Hungarians demonstrating for minority rights, and the arrival of about 200 Gypsies on the scene put an end to the settling of scores.) Criminal proceedings were not instituted against Hungarians or Romanians, only against Gypsies. Five (party) organizations join the demonstration.

**4 Jun.** With about 200 young participants, the Hungarian chapter of SOS Racisme organizes a demonstration before the Chinese Embassy on the first anniversary of the bloodbath on Beijing's Tienanmen Square. FIDESZ also joins the demonstration.

**4 Jun.** On the 70th anniversary of the Treaty of Trianon, the Christian National Union stages a protest in front of Saint Stephan's Basilica. Addressing about 500 protesters, the speaker demands that the treaty be revised and the borders redrawn by legal means. The organizers schedule a rally for 6 pm on Castle Hill; about 300 persons are present on Disz Square. The main slogans: "Without Transylvania, Hungary Is Not a Country," and "Restore Greater Hungary."

**7 Jun.** An association of civic action groups demonstrates for the preservation of the capital's greenbelts.

**19 Jun.** To protest against the suppression of the 13-14 June demonstrations of dissidents in Bucharest, the Democratic Youth Forum organizes a demonstration in front of the Romanian Embassy.

**27 Jun.** For the same reason, FIDESZ organizes a demonstration in front of the Romanian embassy. About 100 persons attend. Six other organizations join the demonstration. FIDESZ radicals urge the participants to stage a night vigil and burn candles.

**27 Jun.** Writers Laszlo Siklos and Katalin Sulyok, a couple, burn their own books on Liszt Ferenc Square, in protest against the smut flooding the book market. Opposed to the burning of books, employees of Konyvtarellato Vallalat [Enterprise for Supplying Libraries] stage a counterdemonstration. The staff of Irok Konyvesboltja [Writers Bookstore] on the square douse the burning books with water.

**10 Jul.** About 150 workers of Metallochemia in Nagytetyeny demonstrate in front of the Ministry of

Social Welfare, because their plant was closed more than a month earlier. "Let the Greens Pay Our OTP [National Savings Bank] Loan Installments," reads one of the transparencies.

**13 Jul.** A sightseeing bus, filled with school children demanding clean air and a clean Budapest, cruises along several streets of Pest and Buda.

**30 Jul.** Several hundred cyclists from 14 countries arrive on Hosok Square. The 4,000-kilometer tour starting from Norway was organized to warn the citizens of Europe that they are degrading the environment.

**8 Aug.** Between 120 and 150 Kuwaiti citizens protest in front of the Iraqi Embassy against the invasion of their country by Iraq.

**11 Sep.** Between 100 and 150 FIDESZ members, many of them wearing gas masks, march through the downtown section to protest against the capital's environmental pollution.

**17 Sep.** One hundred fifty taxis drive from Felvonulasi Square to Nagykorut and back, to protest against the proposed introduction of compulsory motor vehicle insurance.

**26 Sep.** Between 8,000 and 10,000 university and college students march from the Petofi statue and Szabadsag Square to the Ministry of Culture and Education. They demand, among other things, that welfare and scholarship allowances be treated separately in the student grants, and that the grant per student be raised to 3,150 forints a month.

**28 Oct.** The taxi strike, in protest against higher fuel prices, gridlocks the capital and practically the entire country.

**8 Nov.** The Radical Party demonstrates in front of the Romanian Embassy, to allow Doru Braia to return home. The Romanian civil-rights activist was expelled 12 years earlier.

**12 Dec.** Demonstrators pour milk into the sewer in front of the Ministry of Agriculture. They are demanding, among other things, that milk subsidies not be reduced and the old production structure be preserved.

#### 1991

**11 Jan.** The National Association of Hungarians and five political parties without seats in parliament organize a demonstration, attended by between 80 and 100 persons, against the Gulf war and against sending Hungarians to Saudi Arabia in connection with the war.

**12 Jan.** The M faction of FIDESZ organizes a peaceful demonstration and burns candles in front of the Soviet Embassy, in protest against the atrocities in Lithuania.

**16 Jan.** The Terezvaros District organization of the SZDSZ [Alliance of Free Democrats] organizes a silent

procession of about 150 persons—wearing black arm-bands and carrying lighted candles—to the Soviet Embassy, in protest against the actions of the Soviet army in the Baltic states. At 1900, about 300 FIDESZ members join the demonstration, wearing Gorbachev, Stalin, and Lenin face masks.

**25 Jan.** About 20 persons from the Budapest Anarchist Group and the Feminist Network demonstrate against the Gulf war, in front of the Iraqi and the United States Embassies.

**31 Jan.** Another milk demonstration, this one in front of parliament. Many of the 5,000 or 6,000 demonstrators—private farmers and cooperative workers—bring milk or cows with them. They demand, among other things, fair marketing conditions, and reproach the government for having no agricultural policy.

**9 Feb.** The Danube Circle organizes a demonstration on Batthyany Square and then on Margitsziget, in support of the Danube's ecosystem and in protest against the Bos [Gabcikovo] hydroelectric power plant's construction.

**23 Mar.** The Joint Committee of Iraqi Dissidents in Hungary organizes a demonstration by 100 persons in front of the Iraqi Embassy, to demand Saddam Husayn's resignation.

**12 Apr.** The Hungarian chapter of the Organization of Kurdistan Students Studying in Europe stages a demonstration by 60 persons in front of the Iraqi Embassy, to protest against the genocidal activities of Saddam Husayn. Three other organizations also support the protest.

**21 Apr.** On Earth Day, several hundred young people stage a protest at the Castle in Buda, against environmental pollution in the capital.

**1 Jun.** On the initiative of residents, about 50 protesters in front of the main entrance to Ikarus demand that the Matyasfold factory of Ikarus halt its environment-polluting activity.

**8 Jul.** A dozen members of the SZDSZ youth organization stage a protest demonstration in front of the Yugoslav Embassy and cheer independent Croatia and Slovenia.

**19 Jul.** Delegates to the International Conference of Conscientious Objectors demonstrate in front of the Soviet Embassy, demanding that the Soviet Union recognize the conscientious objectors' human right to refuse military service.

**9 Sep.** Several hundred demonstrators in front of parliament express their support for the hunger strike there by Laszlo Romhanyi and his associates. Rallying around a sign that reads "Your Democracy = News Blackout," the demonstrators demand the ratification of the Treaty of Rome.

**8 Oct.** In a silent demonstration in front of the State Property Agency, the workers of Volan Tefu [Trucking] Rt demand that the agency make a decision regarding the enterprise's privatization.

**11 Oct.** "We Oppose the Government and Want Education Kept Out of the Church," proclaims a sign at the demonstration organized by the Leftist Youth Association.

**15 Oct.** Over 100 foreign students demonstrate at Budapest Technical University to protest against the increasing attacks by skinheads.

**23 Oct.** Several hundred demonstrators in front of the Hungarian Radio building chant "Gombar, come out" and accuse Hungarian Radio and its management of lying and Communist treachery.

**15 Nov.** The Radical Party organizes a demonstration in front of the Yugoslav Embassy, in support of recognizing the Republics of Croatia and Slovenia respectively. The cost of a train ticket to Belgrade is presented to "Serbia's (formerly Yugoslavia's) title-usurping ambassador."

**22 Nov.** The Radical Party demonstrates in front of parliament, with posters calling the Serbian government and its prime minister Communists. The recognition of Croatia's and Slovenia's independence is demanded once again.

**30 Nov.** On behalf of the residents of Rakospalota, Pestujhely and Ujpalota, Deputy of the National Assembly Imre Mecs demands in front of the former Soviet hospital in Pestujhely that the authorities concerned transfer the hospital to the local government, free of charge.

**13 Dec.** Eight organizations stage a protest by about 50 demonstrators in front of parliament, against the "nationalist speeches being delivered daily" inside the building.

**18 Dec.** The Democratic Association of Gypsies in Hungary stages a demonstration in front of the building of the Romany parliament, in protest against the latter's "hegemonistic aspirations."

## 1992

**6 Mar.** Several hundred environmentalists close Bocskai Street to truck traffic.

**7 Mar.** About 30,000 persons take part in the health-care workers' protest march. The demonstrators march to the Ministry of Social Welfare. One of their transparencies reads: "Minister, Do You Want To Be Our Patient? We Are Your Patients." They demand, among other things, an immediate 50-percent raise. Copies of their petition to the minister are tied to 1,000 blue balloons and released.

**15 Mar.** At the invitation of the 1956 Revolution's National Association, about 5,000 protesters demonstrate in front of the Hungarian Television building. The slogans are similar to the ones at the 23 October 1991 demonstration in front of the Hungarian Radio building. Journalist are identified by name and denounced. The Society of Hungarian Journalists, formed a few days earlier, is applauded.

**17 Mar.** The Griff Ensemble and its Pencil and Eraser Foundation hold a peaceful demonstration combined with a rock concert, in front of the Ministry of Culture and Education, but attract merely a very small audience.

**26 Mar.** The Leftist Youth Association protests on Vorosmarty Square against the sharp rise in unemployment.

**11 Apr.** The workers of the Sasad Agricultural Cooperative organize a parade of 250 flower-decked motor vehicles. In their petition addressed to the chief justice of the Supreme Court, they demand that the court's decision avoiding the cooperative's registration be rescinded.

**25 Apr.** Jozsef Torgyan organizes an essentially antigovernment and anti-Antall demonstration on Hosok Square and subsequently on Kossuth Square.

[9 May pp 99-101]

[Text]

## Part II. The Nation's Slogans

A peculiar dissimilarity characterizes respectively the provincial and the Budapest demonstrations and other public expressions of opposition or support, organized since the change of political systems or since the new government's formation. In this second part of our article on demonstrations during the past two years, we will highlight also some of the provincial ones, on the basis of HUNGARIAN PRESS AGENCY reports.

In September of 1990, at the MDF [Hungarian Democratic Forum] rally in Szeged, the university students who resorted to continuous applause in an attempt to prevent the rally's principal speaker, Prime Minister Jozsef Antall, from beginning his speech, reminded one of the Rakosi era's "applauding" socialism. The Szeged demonstration was a "spontaneous" one; in any case, it had not been licensed by the police. Afterwards, the prime minister spoke of a demonstration by an insignificant minority of dissatisfied students. The national or Greater Budapest students' demonstration a few days later provided a resounding rebuttal to that claim. Besides revealing the [prime minister's] obvious political clumsiness (or inexperience?), the events in Szeged also offered a good example of how the demonstrations at that time were still modeled on a sort of debating evening: argument evoked an opposing argument, which in its turn was answered by a counterargument, while sometimes the brilliant (effective) repostes appeared on



transparencies ("Here Comes the Insignificant Minority," "Clean House at Night, Kata Deke Advises," "Try To Live on Our Wages" and similar messages from the demonstrators). Hardly anything was detracted from this "arguing" feature of the demonstrations by dissonances like Jozsef Antall's off-the-cuff remark to the "insignificant minority" in Szeged that it was easy to demonstrate under democracy, but the police would have hauled them off in the past.

The national or Budapest version of the student demonstration also retained its "arguing" feature, and the same can be said of the milk or the teachers' demonstrations as well. At these demonstrations—and in the petitions submitted to the various authorities concerned—one could read or hear also economic analyses or sociographic reports of varying length. For instance, on student grants, dairy prices, teachers' salaries, and their impact on the state budget. Or on the sociological composition of Győr's population (where entrepreneurs leased office space in a building that was supposed to be a cultural center).

Generally speaking, nevertheless, it can be said that far more arguments were presented in the provincial demonstrations than in the Budapest ones. Obviously, several factors played a role in this. Among other things, the provincial demonstrations were "aimed" primarily at domestic targets. With one exception—on 15 January 1991, from Debrecen—the HUNGARIAN NEWS AGENCY did not report a single provincial demonstration held in support of a foreign country's or foreign personality's recognition, or against a foreign country for denying or delaying the granting of such recognition. In view of the essence and purpose of the provincial demonstrations, demands rather than arguments were formulated there, or something (or somebody) was censured. Of the 50 demonstrations held in the capital between May of 1990 and the end of April 1992, on the other hand, 18 were held specifically in support of a foreign country (or personality) or in protest against a foreign country. The Budapest demonstrations produced arguments of a more general nature also because here, in comparison with the provinces, there were far more demonstrations for demands that can be said to serve the public welfare.

What may be regarded as the public welfare, and where can the line be drawn between the public welfare and self-interest are quite different questions. In principle the teachers, for instance, were demonstrating in their own interest; after all, among other things (but almost primarily) they were demanding higher pay. But thereby—and also explicitly, of course—they wanted to ensure that there would be teachers in the future as well. On the other hand, the series of demonstrations that the Smallholders organized in the provinces served in principle the public welfare—the enactment of a land law, and the remedying of historical injustices (the return of lands to their lawful owners). However, these demonstrations demanded not just any land law, but specifically its Smallholders version (a part of which would have been

the complete return of all confiscated lands); in other words, enactment of the Smallholders program. In spite of slogans professing to be promoting the public welfare, in these instances it is difficult to rid ourselves of the feeling that the demonstrations in question served actually—at least not just incidentally—to strengthen the Smallholders' position within the ruling coalition ("the people are behind us").

During the past two years, of course, there were also demonstrations that unambiguously served the public welfare; i.e., demonstration in which suspicion did not immediately arise that the public welfare and self-interest were being merged. We may include in this category the Budapest and provincial demonstrations for environmental protection in general, the demonstrations against the Bos-Nagymaros system of dams, or the ones in support of conscientious objectors. Furthermore, say, the demonstrations for the liberalization or even the restriction of abortions. The public welfare, albeit the welfare of a smaller public, is obviously being served when, for instance, the residents of Erd demonstrate against the M0 beltway to protect their town, or when the residents of Budapest or Nyíregyháza protest against construction in their greenbelts. And what is being served, if not the public welfare, when waiters, bouncers and taxi drivers demonstrate in Szeged for better public safety, even if the demonstration follows a disco melee in which one person was killed, and the demonstrators are motivated by concern for their own lives and health?

Regardless of how difficult it is to draw the line between the public welfare and self-interest, a thorough analysis of the 1990-92 demonstrations—on the basis of detailed information about the slogans, the course of the demonstrations, and the organizers' objectives and motives—would certainly be edifying. After all, besides the demonstrations organized by the Smallholders there are also other demonstrations that appear as arguments in national or local politics. Generally in a way such that the opinion or interest of the general public would be expressed also when, say, a small number of interested persons demonstrate to prevent the transfer of a boat-house to some firm (as happened in Balatonalmádi). Perhaps the demonstrators did not even think of it at all, but this could be an example of transferring assets through (spontaneous) privatization to the old power elite, or even to the new one but without supervision. This, of course, is what could often be happening. But when it is "elevated" to the rank of a political argument, the following suspicion naturally arises: The objection is not that assets are being transferred, but that they are being transferred to a political group other than the one which is including these cases in its dictionary or arguments. For if the assets were transferred to this group or to individuals within its sphere of interest, the unlawful and unsupervised transfers would immediately become lawful and supervised ones.

### Provincial Demonstrations

Based on HUNGARIAN NEWS AGENCY reports, the following is a summary of the demonstrations held outside Budapest between May 1990 and April 1992.

#### 1990

**16 May.** On International Conscientious Objectors Day, the Bokor Catholic Basic Community, the Church Forum Public Affairs Society and the FIDESZ local in Szeged organize a demonstration. Among other things, the demonstrators urge soldiers to leave the barracks and don civilian clothes.

**7 Jun.** About 150 young people demonstrate in Gyor before the Sandor Petofi Cultural Center, demanding that the building be reserved exclusively for the use of youths (because the offices of several business organizations have moved into the building).

**29 Jun.** Students of Miskolc Liberal Arts University stage a "commencement day" demonstration to protest against the moving of the university from the former MSZMP headquarters in the center of the city, to an outlying workers' hostel.

**19 Jul.** About 100 to 150 Velence residents attend a demonstration organized by the MDF local, on the occasion of a meeting there of the National Assembly's Environmental Committee. The demonstrators are protesting the barring of local residents from an approximately 30-meter strip of the lakeshore, due to the construction of the Pro Recreation Foundation's Juventus Hotel.

**26 Jul.** The Gyongyos locals of FIDESZ and the SZDSZ organize a camping and cycling demonstration to protest against the continuing construction of a plant for the processing of used batteries.

**28 Jul.** On the appeal of FIDESZ, the SZDSZ and the Independent Smallholders Party, between 40 and 50 demonstrators begin a two-day camping protest, likewise against the continuing construction of the plant for the processing of used batteries.

**21 Sep.** The round table for the reconciliation of interests, which comprises the independent interest-representing organizations of Videoton in Szekesfehervar, stages a solidarity demonstration in the factory's parking lot, in protest against the management's rumored plans to lay off more than 5,200 workers without consulting the interest-representing organizations.

**22 Sep.** By applauding continuously, university students attempt to prevent Prime Minister Jozsef Antall from beginning his speech at the MDF rally in Szeged. According to the students' posters, because their financial situation is desperate. The prime minister tells the students, among other things, that a few years ago they would have been arrested for such actions.

**26 Sep.** A nationwide student demonstration in Eger, Godollo, Gyor, Nyiregyhaza, Veszprem, Zalaegerszeg (and Budapest), for improving the financial situation of the universities.

**14 Oct.** About 100 catering-industry workers, bouncers and taxi drivers demonstrate on Kaluzal Square in Szeged, for more effective public safety. (A melee on the *Szoke Tisza* disco ship a few days earlier left one person dead and several persons seriously injured.)

**19 Oct.** About 20 persons demonstrate in front of the county court in Zalaegerszeg, because their property-settlement lawsuits and divorce proceedings have been in progress five or six years, or have ended in judgments regarded as unfair. The workers of a Nagykapornok small cooperative join the demonstration, demanding clarification of the circumstances under which a fellow worker died.

**16 Oct.** For one hour in the afternoon, members of the Independent Smallholders Party local in Tiszacsege blocked the highway running through the village, in support of enacting a land law conforming to the party's concept.

**20 Oct.** The party locals in Erd organize a demonstration by 300 car drivers in the center of Erd, in protest against opening the completed section of the M0 beltway around Budapest. (It is believed that through traffic in Erd would double, and the settlement already has 20 fatal traffic accidents a year.)

**24 Oct.** Near Nyiregyhaza, local smallholders living in the surrounding detached farmsteads use 30 tractors, trucks and horsecarts to block for 30 minutes one lane of highway 36. More than 100 demonstrators demand enactment of the Smallholders Party's land program, and smallholders of the groups of detached Tirpak [ethnic Slovak] farmsteads demand restoration of the land that had been taken from them by force.

**8 Nov.** Between 200 and 300 persons march on city hall in Szeged, demanding permission to open a flea market on the site of the former Polish market.

**22 Nov.** The Independent Smallholders Party organizes a demonstration in which about 100 persons drive tractors, farm machinery and cars in front of the agricultural cooperative's office in Forraskut, Csongrad County, to demand the return of their original lands.

**10 Dec.** Parallel with the teachers' demonstration in Budapest, more than 3,000 kindergarten, primary-school, and secondary-school teachers demonstrate in front of the mayor's office in Miskolc.

**19 Dec.** Eger-area winegrowers demonstrate in front of the Eger headquarters of the Egervin Winery Complex, and at the same time block with machines the entrance to the complex's main wine cellar and other buildings. They demand payment for their grapes at the 1989 state-procurement prices, and that at least 60 percent of the amounts due be disbursed still in 1990.



**28 Dec.** Eight prisoners refuse to work and barricade themselves in their cell in Allampuszta, in protest against inadequate health care and no television in their cell.

**1991**

**7 Jan.** Demanding the resignation of 10 municipal-council members, Mezokovacs-haza residents place their town hall under symbolic blockade. (The 10 councilmen felt that it was incompatible for the mayor to work also for a limited-liability company. The residents argue that they themselves, rather than the council, elected the mayor.)

**15 Jan.** In front of the Soviet Consulate General in Debrecen, about 200 demonstrators protest against the bloody events in Lithuania. And in Szombathely, 40 or 50 citizens burn candles for the same reason.

**31 Jan.** In addition to demonstrating in the capital, milk producers demonstrate also in Debrecen, 99 Fejér County settlements, Pecs, in front of the larger industrial plants of Győr-Ménfőcsanak, in Kaposvár and the towns of Csongrád County, to protest against the disruptions in accepting milk deliveries and against the low producer and consumer prices of milk. As a part of their protest, the demonstrators in most localities distribute milk free of charge.

**9 Feb.** About 200 Nyíregyháza residents stage a protest in front of the mayor's office, against locating stores in parks and gateways.

**26 Feb.** The Ozd Metallurgical Workers Interest-Representing Federation organizes a demonstration by 2,500 metallurgical workers, to demand that layoffs at the Ozd Metallurgical Works be suspended.

**12 Mar.** The National Radical Union organizes a protest by several dozen demonstrators at the Kossuth statue in Debrecen, because "there is greater terror in Hungary today than there was three or four years ago, land and factories are being robbed, and bolsheviks are still sitting haughtily in positions of power."

**13 Mar.** About 400 Ozd steelworkers express their loyalty and dedication to the Ozd Ironworks (its dismantling is being considered to cut production costs).

**2 Apr.** With slogans of "Culture and Not the Pub," the young people in Ugod demand the reopening of the local cultural center, which the local government closed because it could not afford the cost.

**11 Apr.** The Preventive Human Mission National Association for Health and Environmental Protection organizes a demonstration on the main square of Óroszlány, demanding that garages be built near the mayor's office, rather than in the immediate vicinity of a housing project, two schools, more than 100 small gardens, and a fishpond.

**12 Apr.** Protesting that the 1991 city budget earmarks only 91 million forints for grants to first-time tenants, as

compared with 150 million in 1990, young people in Miskolc demand a place to live and rental apartments from the municipal councilmen. "We Got More From Kádár," read the signs that the demonstrators carry.

**3 Jun.** Nearly 100 teachers from settlements around Győr demonstrate in Tolcsva to express their solidarity with their local colleagues (who received from their local government merely two-thirds of the 30-percent across-the-board raise granted teachers).

**5 Jun.** Several hundred cyclists demonstrate in Debrecen on World Environmental Protection Day, demanding bicycle paths and clean air.

**6 Jun.** The interest-representing organizations in Fejér County, the Democratic League of Independent Trade Unions, and the county's worker councils organize a joint demonstration in Szekesfehervar, demanding, among other things, the elaboration of a program for alleviating the problem of providing employment in the county.

**11 Jun.** About 150 local innkeepers and caterers stage a protest in Harkány against the Harkány Spa Enterprise's new admission policy that is driving away a proportion of the foreign guests.

**10 Jul.** Thirty-one workers of Faktor Welfare Employment in Csurgó demonstrate in front of the mayor's office, complaining of low wages and other problems.

**10 Jul.** Workers of the Virágzó Agricultural Cooperative of Kisbér block the road to the plant of Sanisa (an Austrian limited-liability company) on the Batthyány farmstead in Komárom-Esztergom County, over a billing dispute with the company.

**25 Jun.** In Győr, the Hungarian Republican Poor People's Party, the SZDSZ local and the municipal committee of the MSZMP organize a demonstration by 200 unemployed persons and sympathizers. Their 17-point petition demands, among other things, the municipal council's resignation, and supports holding the World Expo in Hungary.

**17 Sep.** The local chapter of the Society for Protecting Foetuses organizes a demonstration by several hundred adults and children in Miskolc, to protest against the taxing of family allowances.

**24 Sep.** A crowd of several hundred demonstrators chants "We Will Not Let Ourselves Be Poisoned" and similar slogans in front of the mayor's office in Lábod, where the cement factory is again preparing to destroy waste solvents from a pharmaceutical factory.

**12 Oct.** Under the direction of POFOSZ [Alliance of Hungarian Political Prisoners], nearly 2,000 persons demonstrate in front of the sports stadium in Salgótarján, where the MSZMP is holding its congress.

**20 Nov.** More than 1,000 retired persons march on city hall in Debrecen, demanding higher pensions. "We Are Cold and Hungry," they chant.

**22 Nov.** On the appeal of the Gyor Association of Retired Persons and with the support of four party organizations, about 300 retired persons demonstrate in Gyor, demanding pensions of stable value, and better living conditions.

**2 Dec.** Several hundred taxis draped with black ribbons demonstrate in Nyiregyhaza, at the funeral of a taxi driver murdered while on duty.

**20 Dec.** Students protest in Balatonalmadi against the Economic Rehabilitation Organization's decision (which awarded the premises of Videoton's sailing club in Balatonalmadi to the new consortium of shareholders that bought the firm).

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**13 Jan.** Workers of the Labatlan Cement Industry Limited-Liability Company demand, during their demonstration and in their presented petition, that the local government permit the burning of hazardous industrial wastes in their furnaces (otherwise the plant could be in jeopardy).

**6 Mar.** The Debrecen Association of Secondary-School Boards organizes a torchlight parade by more than 1,000 students and teachers in Debrecen, to protest against, among other things, the draft of the public-education bill and the lengthening of the school year.

**12 Mar.** The National Radical Union organizes a protest by several dozen demonstrators at the Kossuth statue in Debrecen, because "there is greater terror in Hungary today than there was 3 or 4 years ago, land and factories are being robbed, and bolsheviks are still sitting haughtily in positions of power." [as published]

**13 Mar.** About 400 Ozd steelworkers express their loyalty and dedication to the Ozd Ironworks (its dismantling is being considered to cut production costs). [as published]

**22 Apr.** In Szeged, the workers of Attila Jozsef Academic University demonstrate to demand an immediate and substantial raise for employees in higher education.

#### Top Officials Comment on Economic Growth

##### Finance Minister Kupa

92CH0626A Budapest FIGYELO in Hungarian  
21 May 92 p 7

[Comments by Finance Minister Mihaly Kupa under the rubric "Focus": "No Possibility...for Stimulation"]

[Text] In a market economy there is no possibility for the direct stimulation of the economy by the state. At most, the state and politics can only encourage economic

growth indirectly, and the system of methods used for its stimulation can only be based on already existing conditions and on the better utilization of available resources.

A prerequisite for economic growth is the birth and smooth functioning of the basic laws governing a market economy. According to the timing of the so-called Kupa program, these basic laws were born, but the creation of legislation regulating large distribution systems has been delayed. This is more or less the reason for the jump in the state's budget deficit. And keeping the budget deficit at a tolerable level, or reducing it, is one of the resources the tapping of which could have a beneficial effect on the entire economy.

I am convinced that if business ventures are being "stifled," this is not due to a personal income tax or a corporate tax, but is rather due to the high contributions to social insurance, in return for which the system provides very poor service. A further additional resource is the East European regional market, which we unfortunately almost completely relinquished at the very time when the developed world was competing precisely for this region.

We could also have foreign resources if we had projects worth financing. Both projects dealing with infrastructure—without which life literally comes to a standstill—and the development of an information system are areas which the World Bank, the EBRD [European Bank for Reconstruction and Development], etc. would gladly support.

After we have made use of such possibilities, the desire to invest would increase, interest rates would decline further, and production (and with it, consumption, i.e., the GDP) would increase. And all this would happen without the state granting privileges to individual branches of production or economic activity.

These thoughts are not new. The so-called Kupa program postulates that after the legal and economic stabilization of the first two years, the Hungarian economy could start on the road to a healthy, slow growth. The discussion concerning the stimulation of the economy, which has recently flared up, was probably brought about because we have more or less completed the tasks stipulated in the program, the economy is gradually being "denationalized," and the positive outcome of these steps is being felt in ever-improving results. This seems to indicate that we are on the right track, and the state must continue to abstain from interfering in the self-regulating processes of the economy.

##### NGKM Minister Kadar

92CH0626B Budapest FIGYELO in Hungarian  
21 May 92 p 7

[Comments by Bela Kadar, head of the Ministry of International Economic Relations, NGKM, under the rubric "Focus": "We Must Shift to a Course of Growth"]

[Text] I do not consider the prospective budget deficit, which is much higher than planned, extraordinary or unusual even after an international comparison. During the 1990 government discussions preceding the submission of the budget, and again in 1991, I represented the position that a deficit of 78 or 69 billion forints, respectively, was unrealistically low. The biggest correction in the balance cannot be achieved in the most difficult period of transition. The main reason for the budget deficit is the drop in revenue, which is a consequence of the decreasing ability of the economy to produce income, that is to say, its progressive reduction. If we were to plan in advance the budget deficit that can actually be expected on the basis of the state of the economy, we would be in a more favorable position.

Economic policy is always a choice between values. According to my value system, it would have been better to expect a greater budget deficit, which is unavoidable anyway, and a more modest decrease in inflation, while at the same time striving to create finally the bases for the process of growth. Of course I am not thinking of a growth in quantity, and not of an artificial increase in domestic demand but rather of a growth increasing the range of products oriented toward export and supported by the development of the infrastructure. Favorable conditions are necessary to increase savings and investments. If a course of growth led by export could be created, next year we could even reach a growth of 2-3 percent.

That this is a real possibility is supported by the fact that for the first time since the collapse of the Austro-Hungarian monarchy, we have succeeded in alleviating the market problems of the Hungarian economy. The partnership agreement with the European Community creates good conditions for sales, while the fact that we have been taken off the COCOM list fostered the import of technology. Our lack of capital was eased last year already by the import of investment capital. This year, 1992, will be the first year in a long time during which the totality of Hungarian exports will increase.

Unemployment will continue to remain a great worry for the foreseeable future; privatization and the necessity to become more efficient bring with it the gradual elimination of idling on the job. However, we could have avoided the present level of unemployment if we had supported the growth of exports, and consequently of production, by providing more favorable conditions for business ventures and investments, preferential loans, guarantees, etc. Moreover, this avenue would have been more constructive from a budgetary point of view, because only a fraction of the amount devoted to unemployment compensation would have been enough for this purpose.

The rapidly increasing rate of unemployment today is dangerous from a political point of view as well. A rate greater than 14-16 percent can hardly be tolerated. Today, these processes are still manageable. In order to

ensure that they will be tomorrow as well, we must switch to a course of growth.

#### **Welfare Minister Surjan**

*92CH0626C Budapest FIGYELO in Hungarian  
21 May 92 p 7*

[Comments by Welfare Minister Laszlo Surjan under the rubric "Focus": "Increasing Production...Is More Important Than Decreasing Inflation"]

[Text] The restrictive economic policy exercised by the government in the past two years should not be condemned, even though it was very difficult to endure. The negative development in the population's standard of living and in the ability of corporations to function was the price that had to be paid for the relatively low level of inflation in the face of looming dangers. However, something that is a success when compared to the international situation is in itself little comfort to people who live on wages and salaries, pensions, or even welfare.

A contradiction in social policy worldwide is that a well-functioning economy on the recovery allows for the legislation of generous social services, which will mean growing expenditures precisely in the phase of recession. This contradiction is resolved on a political plane: A new government restricts social expenditures and becomes unpopular, but if it is lucky the fruit of a restrictive policy, a new recovery, will ripen before the next elections.

In our case we should not attempt an artificial stimulation of the economy, but if possible we should decrease the burdens preventing entrepreneurship. From the point of view of my portfolio, the question is whether the costs of social insurance can be decreased. There is a possibility of doing this while preserving the level of services, and even raising the salaries of health care personnel, namely by granting property to social insurance, and by having the state budget assume certain expenses. Decreasing the contributions to social insurance would also have the favorable effect of legalizing the black-market economy.

I think it is a favorable sign that the idea that restrictions must be ended has become fairly widespread among parties of the coalition. Both simple and professionally well-founded wishes can now be formulated, as was done by the KNDP [misprint for KDNP—Christian Democratic People's Party?] in Godollo, and by the MDF [Hungarian Democratic Forum] in Balatonkenese. The question is, which concrete programs of action will this economic policy be embodied in, and what can still be done this year? It is evident that the word of my fellow ministers, who are more competent in this area than I am, will be decisive in forming an economic policy that would not merely lead to an artificial bubble, but would in fact stimulate growth. At any rate we must endeavor to put a much greater emphasis than is being done at present on keeping jobs as well as creating new workplaces. Where the money would come from in the face of

the current budget deficit is a professional question I cannot answer. But I am certain that if we try to reduce the budget deficit by newer taxes, the Hungarian economy will plummet even more. Increasing production is perhaps more important now than reducing inflation.

#### **MNB President Bod**

*92CH0626D Budapest FIGYELO in Hungarian  
21 May 92 p 7*

[Comments by Peter A. Bod, president of the Hungarian National Bank, MNB, under the rubric "Focus": "The Central Bank...Endeavors To Curb Inflation"]

[Text] I am convinced that, in an almost unobservable manner, by today the Hungarian economy has become a market economy. To be sure, it can be characterized by many disturbances of development and many imbalances, but the logic of its behavior is already decisively that of the market. However, this newborn market economy starts its life with an almost classical period of depression. Savings are increasing due to the high interest rates, while investment activity is low. However, in Hungary the lack of investments is due not only to the high efficiency requirements of investments dictated by the high interest rates, but also to the loss of Eastern markets, the organizational and management problems in connection with privatization, the government's and the municipal authorities' lack of experience in developing projects, and to many other institutional reasons. Finally, the decreasing demand for investments reduces income and the GDP in a geometric function.

Consequently, the future level of income of the economy depends largely on investment activity. The external conditions are somewhat better than in 1990-91, because we need not expect a repetition of the collapse of the Eastern market. The partnership agreement with the EC also facilitates entering new markets to a certain degree. If we believe in the superiority of the market economy, we must trust that parallel to the increase in the private sector, our national economy will also become more competitive. All in all, we can count on a further improvement in exports, and an increased productivity in the service and tourist sectors, as well as in the area of commission work. A considerable number of joint ventures founded last year will become profitable as well.

Interest rates adjusted to the reduction of inflation must contribute to the end of the depression, and to the improvement of the climate for production and investment. The signs are already apparent: In the first quarter, the interest rates on transfers between banks for short term loans (one to seven days) were reduced to about 23 percent after a drop of 6-7 percent. The MNB follows—to a lesser degree, initiates—the reduction of interest rates for deposits and loans. Thus, for instance, the interest on refinancing loans in return for foreign exchange deposits was reduced in two steps as of March from 32 percent to 27 percent, and the interest rate on

the loan by the central bank to refinance the E-loan was reduced as of 10 April from 16.5 percent to 13.2 percent.

However, the movement of interest rates naturally has its limits and time lags. For this reason, one must not count on a rapid drop in the interest rate, especially in real value. The central bank endeavors to make the forint stable and to curb inflation, and thus in no way does it exercise an artificial policy of stimulating a boom. However, it would only be fortunate if the economy moved away from its state of depression.

#### **Description of Waning Coal-Mining Industry**

*92CH0656B Budapest FIGYELO in Hungarian  
4 Jun 92 p 18*

[Article by Erzsebet Eller: "The Liquidation of Hungarian Coal Mining; Short Life in the Long Term?"]

[Text] Underground mining in Hungary will have ceased by the millennium. In the meantime, four regional mining enterprises, created by combining the relatively efficient mines and shutting down the inefficient ones, will report to a coordinating center, replacing the existing eight independent mining enterprises.

The eight mining enterprises of Hungary are bankrupt. Most recently, the liquidation of the Tatabánya mining enterprise was announced after similar announcements had been made by the Nograd and Mecsek mining enterprises. All this is consistent with the ideas of the Coal-Mining Structural Transformation Center [SZESZEK], however. Since the establishment of the Center in August 1990, the most important change has been the rejection of the initial, so-called self-financed mining concept, and its replacement with a plan calling for paced counterdevelopment and termination of all Hungarian underground coal mining within 8-10 years, according to Laszlo Vas, the head of the Center. It has become clear by now that the coal-mining industry would not be able to compete with imported energy resources unless subsidized by the state, if its indebtedness were to be settled in the course of liquidation proceedings. The case of the Nograd coal-mining enterprise best demonstrates a situation like this: Production had not been stopped in Nograd at the beginning of the liquidation proceedings because of insufficient funds to even shut down the mines! Consequently, losses have increased day after day in the course of the liquidation proceeding.

What possible solution is there? The answer could be the already mentioned concept of a conscious and paced effort to counterdevelop the coal-mining industry as part of an energy policy that still does not exist, but one that has already been advanced in several alternative versions.

Counterdevelopment, but how? What criteria must be observed in determining the sequence in which to shut down the mines? (It should be recalled that last January the government and the Mining Industry Workers Union



have reached an agreement in this regard, and that this agreement is binding with respect to future decisions.) One must consider the requirements and the useful lives of hydrocarbon power plants, together with the expected useful lives of coal mines linked to these power plants. Under fortunate circumstances, it would be possible to coordinate these two aspects, and the deterioration of power plants could coincide with the exhaustion of the related mines. Further, one must also consider costs involved in shutting down mines and in converting power plants to a different method of heat production. Ways in which social tensions accompanying the shut-down of mines could be handled are also important considerations, of course. For example, although technical and economic analyses showed that the Komlo mine was less viable than the mine at Vasas, a decision was reached to close the Vasas mine because of the anticipated consequences of unemployment [that would materialize as a result of shutting down the Komlo mine], Laszlo Vas said. He added that decision choices of shutting down, alternatively, of continuing a coal mine based on social welfare considerations present no problem; the trouble starts when decisionmakers fail to accept responsibility for making such decisions and try to find pretexts based on technical and economic grounds.

In its program prepared for the government, SZESZEK has already designated the sequence of mine closures based on the above-described considerations. As part of implementing this program, SZESZEK intends to reach a long-term agreement with the Hungarian Electrical Works Corporation [MVM], specifying the quantity of coal to be delivered at the various coal production sites, and standard rules for prices to be paid for delivering the coal. This agreement would still be based on the counterinterest that exists with respect to the utilization of coal between the electrical works and the mining industry. A step could be taken ahead, for example, by introducing the "coal-penny" concept used with respect to the German mining industry, based on which the consumers of electricity pay for the costs of downscaling the coal mining industry in whole or in part. Since consumers of electricity already pay for the same with a delay as part of their electric utility bills, this solution would not incur excess costs to society, but would resolve the existing conflict of interest.

An issue that has repeatedly arisen for years pertains to the feasibility of counterdevelopment within the existing organizational structure of coal mining. Counterdevelopment cannot be achieved within the present structure of course, as this can be seen from the prolonged liquidation of mining enterprises. SZESZEK—established in 1990, as mentioned before—has been assigned a dual task in this regard. While SZESZEK is supposed to develop a structural transformation concept for the mining industry, it has also received authority similar to that of the previous organization for bankruptcy reorganization. From the standpoint of its substantive activities SZESZEK is directed by the Ministry of Industry

and Commerce and has an executive staff of only three employees in addition to a rather large group of outside experts. In its capacity as a receiver, SZESZEK must also satisfy creditor claims. Performing this function often conflicts with the momentarily prevailing interests of coal mining, thus one should ponder whether the combination of the two functions is appropriate. The fact that the receiver is able to view the entire industry branch is, by all means, an argument supportive of such a combination of functions.

The liquidation of coal-mining enterprises differs in several respects from liquidation proceedings in other branches of industry. In the mining industry a decisive majority of enterprise assets is not marketable: Mining machinery remains mining machinery, and a shaft that has been shut down can hardly be used for some other type of productive activity. Accordingly, creditors cannot be paid off in the form of cash after selling the assets. This, then, also suggests that creditors are interested in continuing the operation of these assets. Productive mines operating with a loss cannot be shut down immediately also because of social tensions and the high cost of discontinuing production. We have already mentioned the example set by the Nograd mines. Another example: Closing the Istvan shaft at Mecsek had cost about 400 million forints because of technical complications and environmental protection requirements.

Accordingly, as planned, the process of reorganizing—liquidating, if you will—the coal-mining industry is as follows: After selling the insignificant volume of saleable assets, viable activities not having to do with coal will be reorganized for their continued pursuit within corporations. One or more new mining corporations will be formed of the viable mines from within the previously existing eight mining enterprises. The remaining nonviable mines will be transferred into other corporations—let's call these bankruptcy corporations. These corporations will finance the closure of mines by using budgeted state funds earmarked for shutting down mines, as well as damages caused by mines, the restoration of the area and the payment of coal supplements to retired miners. Thus, the bankruptcy corporations are expected to terminate their functions within a few years. A bankruptcy corporation would be established at each of the discontinued mining enterprises. SZESZEK recommends that these corporations be merged either on a regional or a nationwide basis. Using this method—i.e., the separation of the viable parts of enterprises from the nonviable parts—would preserve the old enterprise structure. On top, the various enterprises have reached different points in the process, and therefore the merger of the remaining mines into a common organizational unit must be scheduled. At the same time the will of the state could also be satisfied, if the government agrees to the program developed by SZESZEK, that is.

In the case of the Mecsek, Ajka, and Matra area mines the program also considers the possibility of establishing power plants close to mines, an idea that has been analyzed in this newspaper a number of times

(FIGYELO, No. 11, 1992). Under this concept targeted coal mines would be linked to targeted power plants.

As a first step, the northern, and North-Transdanubian mining enterprises would be merged, because production in these mines has declined to an extent that infrastructural and management costs could not be reduced on an individual basis.

The stock corporation, or stock corporations perceived under the proposed concept would not be mammoth firms, in the traditional sense of that term. The role to be played by these centers would be limited to the designation of strategic goals and the allocation of resources; operations would be managed by the various divisions. No more than three or four mines would fall under the jurisdiction of any given center.

The fact that the largest coal consumer, the MVM Corporation, would partly own the firms in which viable mines are merged is an important feature of the proposal. Such ownership could guarantee observance of the

best national interest without state interference even when scheduling the counterdevelopment of mines.

Accordingly, the situation of coal mining, or, more accurately, of underground coal mining, has not been settled as a result of initiating liquidation proceedings. Some 4.5 billion forints would be needed to implement the planned mine shutdowns, but only 2.6 billion forints have been allocated in the budget for this purpose. Last year's collapse of the communal coal market also added to the already-well-known causes, such as the Liassic Program, the Eocene Program, oversized headquarters and declining production. (Seventy percent of all Hungarian coal mined goes to power plants, while 30 percent is used by the populace.) Consumer price subsidies have been discontinued and due to the buying-up fever of the past 10 months, demand had to be satisfied by quickly importing coal. This year the planned quantities of coal to be consumed by individuals could not be sold even at last year's official prices.



### **Warsaw Citizens Said To Favor New Elections**

AU2206204092 *Warsaw NOWY SWIAT in Polish*  
12 Jun 92 p 1

[Unattributed article: "Yes to Elections, No to the President"]

[Text] NOWY SWIAT commissioned the "Sounding Out" Private Street Opinion Research Bureau to conduct a lightning poll of 1,011 inhabitants of Warsaw city and voivodship on Thursday, 11 June.

The first question was: Should parliamentary elections be moved up? The answers were: yes, 49 percent; no, 27 percent, and do not know, 24 percent.

The pollsters then asked: Should presidential elections be moved up? The respondents replied: yes, 45 percent; no, 35 percent; do not know, 20 percent.

The third question was: Will Prime Minister Pawlak manage to create a new government? The replies from those polled were: yes, 29 percent; no, 43 percent; do not know, 28 percent.

(The poll was based on a random sample of adult inhabitants of Warsaw.)

### **Publisher on Press Market Fluctuation**

92EP0468A *Warsaw PRZEGLAD TYGODNIOWY*  
in Polish No 22, 31 May 92 p 15

[Interview with publisher Grzegorz Lindenberg by Zuzanna Csato; place and date not given: "The Market Continues To Wait"]

[Text] [Csato] You introduced GAZETA WYBORCZA to the market. SUPER EXPRESS, which you currently manage, is also creeping upwards. Do you have a recipe for making a good, national Polish newspaper that, if introduced on the market right now, would not collapse after a few months?

[Lindenberg] Such a newspaper must be much better than those already in print.

[Csato] Is that all?

[Lindenberg] That is all. I am not a creative person—well, perhaps I am creative to a small extent. I am only repeating what others thought up before me, and I am guided by common sense. And it is common sense that tells me at this moment that the Polish newspaper market continues to wait for good, new titles.

[Csato] Where will they fit in? After all, eight or nine national Polish titles are being put out in Warsaw and they are not doing too well. People are not buying newspapers.

[Lindenberg] They are not. That is a fact. But at this moment there are only two truly national newspapers: GAZETA WYBORCZA and RZECZPOSPOLITA. The

rest are not very significant—or completely insignificant—on the national market. Please note that ZYCIE WARSZAWY, for example, sells 80 percent of its newspapers in the capital. TRYBUNA distributes, maybe, 30,000 copies around the country. (I am speaking here of sales, because in this case it is not the number printed that counts but the number of copies purchased.) EXPRESS WIECZORNY is also a Warsaw newspaper. SLOWO POWSZECHNE is perceptible in trace quantities. POLSKA ZBROJNA, in my opinion, is purchased by 50 or perhaps 100 persons in Warsaw, the rest being spread among military units. NOWA EUROPA and NOWY SWIAT are read by 5,000 or 6,000 people. Can these titles be called national? On the whole, about 600,000 copies of newspapers that reach all of Poland are sold; GAZETA WYBORCZA and RZECZPOSPOLITA make up 85 percent of these. Today only one in 10 Poles buys a daily newspaper—whether local or national.

[Csato] That is easy to explain. We have become poor.

[Lindenberg] I do not believe that in a country that spends 100 trillion zlotys [Z] annually on vodka people cannot afford newspapers. Of course, there exists a certain portion of society for which an expenditure of Z1,000 a day is too high. Let's suppose that this group makes up as many as 30 to 40 percent of all adult citizens. What of the rest? It is calculated that on weekdays just three million Poles buy a newspaper, and so-called weekend issues are bought by 8.5 million. The rest simply do not read. They do not have the habit, they are not interested, they did not hit upon a paper that suits them fully. That is why I say that there is a gap in the market.

[Csato] And in spite of that, papers are declining, for example, OBSERWATOR. Was that just because its sponsor, Wiktor Kubiak, sustained severe financial losses presenting "Metro" on Broadway?

[Lindenberg] Come on. Even if he had not sustained any losses there, he would not in any case have financed a newspaper yielding such huge deficits, a newspaper that was selling fewer than 10,000 copies. That is possible only when one is publishing a community newspaper, not a national one. In order for OBSERWATOR to achieve success in publishing, it would simply have to be better than GAZETA WYBORCZA. After all, in principle, it is addressed to the same reader, representing—let's give it a name—the same political formation. It would therefore have to convince several hundred thousand people that it has better information, more honest, better written and edited texts, and that it has better, more trustworthy information sources. This does not mean that it is a bad newspaper. It is good. But not better than GAZETA WYBORCZA. Only the quality of its print and photographs was better, but, after all, to the person who reads this type of newspaper the photographs are not the most important. OBSERWATOR also undertook a promotional campaign. Stenciling the sidewalks was a great idea, but not for this reader.

[Csato] But you admit that when you were launching GAZETA WYBORCZA three years ago, you were in a different, one might say, luxurious situation. There was no opposition paper and that really completely expedited the matter.

[Lindenberg] Partially. Had GAZETA WYBORCZA not been good at the time, and certainly if it had not improved from month to month and from year to year, it would have lost readers. Every new newspaper in the postcommunist countries was successful and pierced the old, traditionally read titles.

[Csato] All right. Why is NOWY SWIAT in decline? It is addressed to a concrete reader who professes a definite so-called political option. It is sensational, the headlines hit you in the eye.

[Lindenberg] They hit you in the eye. And what of it? That newspaper consists almost entirely of introductory articles and commentary. It is—let's say it—a party newspaper, and such papers, in my opinion, do not have much of a chance today. The reader wants to get information first, and only afterwards possibly to find out how the facts should be interpreted. But NOWY SWIAT gives the reader, first of all, an interpretation of the facts. This, in combination with the sensational headlines, is a good idea for a few days. Besides, I think that my colleagues in its editorial office did not perform an honest financial calculation. They were too optimistic.

[Csato] We were speaking of quality, attractiveness, and the reader. Let's speak for a while of money. How does someone intending to publish a new newspaper calculate his finances today?

[Lindenberg] One should know that printing and paper account for 60 percent of costs, 25 percent is so-called personnel costs, and 15 percent is all the rest: office services, fax, telephones, automobiles, and so on and so on. That is many billions. Next, one must invest in promotion, because without it one's chances are poor. One must assume that for a few—or perhaps 10-20—months, the newspaper will operate at a loss. One may believe that the chances of DZIENNIK KRAJOWY, which is preparing for its debut and which has huge sums of money at its disposal, are very good in that respect. The problem is whether the remaining conditions we spoke of will be fulfilled.

The product we are offering people must be of the best sort. It makes no difference whether we are putting a new detergent, a new perfume, or a new car on the market. It is important that it be not just a matter of appearances, as took place in the case of GLOB 24, which simply produced an average newspaper in colorful packaging. Color is not enough to attract the number of readers needed to make the paper profitable. Piotr Bikont once wrote an article about a certain restaurant in Warsaw and entitled it "All the Steam in the Pot." This is precisely an example of GLOB 24. And again, as in the case of OBSERWATOR, it is not a matter of GLOB being bad. It is just a matter of it not being better.

[Csato] Better than what? There is no other colorful newspaper containing short political stories and a large portion of light materials.

[Lindenberg] But if what we offer does not grab the reader, that means that either the idea or its execution is bad. I do not deny that so-called objective factors are also significant. But here GLOB 24 had an unusual situation. It came out on the day every newspaper disappeared from the kiosks because the putsch had begun in Moscow. Such a chance, which one cannot even dream of, comes from God. It was a wasted chance unfortunately.

[Csato] You see the future of NOWA EUROPA in such dark colors. But what chance has it wasted?

[Lindenberg] It was supposed to be a daily that would change the lives of businessmen. The paper is even similar in color to the FINANCIAL TIMES. But they made the exact opposite of a newspaper for businesspersons: a difficult format (stories from abroad in four different places), no more information than is in RZECZPOSPOLITA and GAZETA WYBORCZA, and the appearance of a pink rag. The publisher did not notice the difference between the technical level of the DSP [House of Polish Literature] printers and that of the FINANCIAL TIMES printers. On the whole, the downfall of this newspaper is comforting because it shows that the reader demands quality, and no advertising campaign appealing to snobbery—if you read NOWA EUROPA you will belong to the elite—will help here at all.

[Csato] SUPER EXPRESS, which you currently head, is indeed designed for the mass reader, the average person, who has relatively little interest in politics, but instead hungers for sensation and needs advice. How many people of this sort are there?

[Lindenberg] Millions. That is why I believe that we will soon become one of the top three national dailies, alongside GAZETA WYBORCZA and RZECZPOSPOLITA. This of course takes time, effort, ideas, and the continuous improvement of the newspaper. But we have a real chance. We simply address those who do not read other newspapers or for whom those other papers are too difficult or too greatly oriented toward political and economic information. This is the gap—and not the only one—in the market I spoke about. If we do not fill it, then, it is possible after all, it will instead be taken by the party of Tejkowski or Tyminiski.

[Csato] Are you not creating demons?

[Lindenberg] I am only observing our press market and making a conjecture. Anyone can start to publish a newspaper, and anyone has a chance to put out a newspaper that people will buy. But as it turns out that is not so easy.

[Csato] Are you thinking of some sort of consortium? Do you not dream of a place as the Polish Springer or Hersant?

[Lindenberg] I will be satisfied for awhile with what I am doing. I do not intend to create a consortium and I do not see the need for one.

### Criticism of Privatization Proposal Voiced

92EP0485B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 5 Jun 92 p II

[Article by Krzysztof Dzierzawski: "Privatization, or... (It Stands To Reason) Restructurization"]

[Text] In issue No. 128 of RZECZPOSPOLITA, Dr. Jerzy Thieme, in the article "Similarities and Differences," makes a comparative analysis of four privatization concepts: the Ministry of Ownership Transformations (MPW) concept, the Czech coupon concept, the Christian National Union (ZChN) concept, and the Belweder concept. Dr. Thieme's analysis is ostensibly objective, but we should take into account that the writer is the coauthor of one of the programs he analyzed. Perhaps it is precisely because of this that the Universal Privatization Program (PPP) comes out of the analysis without defects, almost perfect, I would say. But let us attempt to find fault with it.

1. The article includes a table in which the individual programs are clearly characterized according to various criteria. One of them is the purpose of the privatization programs. We learn, therefore, that the goal of PPP, obviously, is to restructure industry, while, for example, the goal of Vaclav Klaus's privatization program is—imagine this!—privatization.

Here is where the cultural differences between the Poles and the Czechs make themselves known. The Polish culture, noble, refined, high, does not allow things to be treated too literally. Rather, it looks for figures of speech and metaphors, as opposed to the Czech culture, of plebeian origin, precisely literal, sometimes even terse. Except that the Czechs are able to describe privatization very simply as privatization. But to describe the Polish plan, we must use the words of the poet (let me paraphrase): [in Russian] We say "privatization," but you understand "restructurization."

2. Among PPP's advantages are the following: It would not be very troublesome to the public or the state administration. All that the citizens need to do is pay in the equivalent of 10 percent of their average wage. The government, on the other hand, will simply transform 400 enterprises into companies, form Investment Funds and put the stocks of the companies into their hands so as to, in the end, give the citizens shares in these funds. Each person would get a 27-millionth part. Four hundred enterprises would be in private hands, and under professional management, at that.

The question is: Do we have to stop at that? Can't things be simplified even more? Maybe add a provision to the constitution reading as follows: "Article 1. The assets of the Republic are the private property of the people living in the cities and countryside. Article 2. These assets are managed by the National Investment Funds (NFI), in the name of the working people of the cities and countryside."

Speaking seriously: We must be aware of the fact that we pay for lack of troubles with lack of changes.

3. In the article, we find the statement "PPP can be described as share privatization because citizens will obtain direct shares in the entirety of the privatized state assets." This is not a new idea. We have the same situation in Joseph Heller's book *Catch-22*. One of its heroes, Milo Minderbinder, encouraged his fellow soldiers to offer their services on behalf of the syndicate, which he created, saying that everyone owns a share of it. Everything went well until "a certain bony major from Minnesota...demanded his share in the syndicate, which according to Milo's assurances, belonged to all of them. Milo met the challenge by writing the word 'share' on the first scrap of paper he found and handed it to the major, telling him that he had offended his honor..."

4. The author of the article emphasizes the basic difference between PPP and certificate or credit privatization, which is that certificates or credit rights become a pseudomoney, as opposed to proofs of shares in NFI. "It will not be possible to buy anything of value (for this pseudomoney) and it will partly fulfill the role of a real zloty, contributing greatly to a rise in inflation."

There is a contradiction in this reasoning. Let us ignore the fact whether it will be possible to purchase anything of value because the pseudomoney will depend on the offer that is made to the buyer. Let us assume, like the author of the article, that people will receive a certificate and will not be able to buy anything for it. Then the certificates will represent a small market value and can be exchanged for an equally small number of zlotys. A large rise in inflation might take place if the value of the certificate were also "large." But because, as Dr. Thieme assumes, the value would be small or none, we can discard any fear of inflation. If, on the other hand, the value of the certificate were large, then the privatization offer would also have to be broader than "nothing of value." And then the certificates would be covered in the value of the privatized assets and still there would be no inflation.

All of these comments pertaining to certificates and credit rights apply to an equal degree to proofs of shares in NFI. We read in the article: "Universal privatization, therefore, omits the stage of distribution of pseudomoney and divides the goods, which are the shares in the privatized assets, directly." Based on a reading of this sentence, one might suspect that it is assumed that the ultimate goal of PPP participants is ownership of proofs of shares in NFI. But on the other

hand, in the preceding paragraph it is said that shares will be the object of free turnover on the market. Yet if they are the object of turnover, the same as certificates, they will become a pseudomoney. The difference between them will be simply the size and color of the paper.

But it is certain that the value of the shares in NFI will be negligible, namely it will be 400: 27,000,000 = 0.0000148th part of a privatized factory. Provided, of course, that someone wants to buy such a share. It may be that the market value of a share will be even less than its value as a memento. That is what happened to a ration card for shoes, for example, which I have been carefully holding on to since 1982.

5. Dr. Thieme writes in the introduction that there is no contradiction between implementation of the PPP, pertaining to large enterprises, and the certificate or credit, whose object would be the "small privatization." But further deductions lead to the conclusion that, for all practical purposes, these programs cannot be applied (the results of studies conducted in 1991 prove this). In this case, there simply is no alternative to PPP.

It is because of this conclusion that I am speaking out. We can ignore the PPP in view of its small significance to the economy; because the economic future of Poland will not depend on the fate of 400 of the even largest enterprises, which to an increasing degree are ghosts of the past. And especially it will not depend on a few hundred of the most competent management professions. The future is in the hands of a 1.5 million mass of enterprises, in the hands of millions of farmers, who at their own risk make economic choices every day. It will depend on the political elite, including the MPW functionaries, as to whether these hands remain empty or hold a worthless security, or as to whether they will be given the ability to choose, the ability to find what is most useful in shaping their own fate at their own responsibility.

The Universal Privatization Program may, of course, be implemented, but it should be called what it is: a program for the restructurization of large enterprises. I am convinced that things will go much better if we also stop mixing innocent citizens in this game.

### Conditions for Military Restructuring Noted

92EP0449A Warsaw WOJSKO I WYCHOWANIE  
in Polish May 92 pp 3-6

[Article by Colonel Julian Babula: "The Army Is Changing: A New Model of the Armed Forces"]

[Text] The term "new model for the armed forces" has become embedded in the consciousness of the professional personnel and in that of a large part of our society. It brings with it hope for fundamental changes in all areas of army life. It is expected that the term is not limited only to organizational structures and the methods of utilization of the army, but that it will also

include the entire sphere of directing the Armed Forces, internal relations, personnel policy, the organization of work and training, and the remaining functions of the army.

There are currently very many different opinions on the topic; they are often, unfortunately, anonymous or radically opposite. Cases of conscious or unconscious distortion of the true situation, or of the areas requiring improvement or fundamental transformation, are also numerous. This is so for many reasons. One of them is the fear, which has long since taken root, of sincere expression of one's views, lest there be consequences for one's career. Of course, I mean critical views, differing from official views. A no less important reason is a superficial knowledge of the problematics of defense, and especially of the fundamental issues concerning the structure, principles of operation, tasks, and related requirements of the modern armed forces. This is so not only for civilians, but also for a significant part of those in the military who voice opinions.

The habit of voicing "uniquely correct" or "completely original" solutions, without taking into account real needs and possibilities, is also unusually harmful. When the person speaking has support from above, it is all the more harmful.

The postwar period has bequeathed to our Armed Forces, besides unquestioned accomplishments in science, organization, training, and operations, very many bad habits, and matters demanding immediate elimination or radical improvement. One can mention, among others, the excessively overbuilt and highly bureaucratized leadership organs, the anachronistic system of education and improvement of professional personnel, and the application of exclusively intuitive work methods in the improvement of the Armed Forces. Personnel practice, and the habit of cleansing the officer corps of any independence, initiative, and the bravery to express opinions, were also faulty. The great isolation of the professional personnel from society was also highly harmful.

Everything supports the idea that Poland needs a modern Armed Forces at this historical stage. It should be well organized, obedient, and systematically improved through a gradual modernization of structures, weaponry, and equipment, and through effective training. Taking the real capabilities of the state into consideration, the attainment of such an Armed Forces will be a long process. The length of time will depend in part on the way in which the achievements, the status, and the potential of the Armed Forces are utilized; and on a thought-out, planned approach to solutions. Further application of improvisations, now so popular, would be a misfortune for the Armed Forces.

In most of the countries of Central Europe, the Armed Forces have traversed a long road of development, and at the present time represent one of the most organized organisms of modern society. They are subject to a



constant process of improvement, which is the result of changes in the military art, the development of science and technology, and the needs dictated by the political-military situation. The essential changes implemented during peacetime are the result of scientific research and analyses both of the operational needs of the army and of the conditions foreseen for its operation.

In my opinion, the actual commencement of the construction of a new model of our Armed Forces, including structural changes and weaponry and equipment systems, which will require great expenditures, should be preceded by certain preparatory actions. That means such actions as could be implemented already, in present conditions, without extensive expenditures, and which would at the same time create favorable conditions for a fundamental restructuring of the Armed Forces.

Writing about such actions, I am thinking of:

- Creation of sociopolitical, legal, and theoretical conditions for the functioning and development of the armed forces.
- Theoretical and planned preparation of the process of construction of a new model of the Armed Forces.
- Improvement of the ever-worsening attitudes among personnel.
- The construction of new personnel policies.
- Enhancement of organization and work effectiveness of leadership organs.
- Broader utilization of the scientific achievements of military and civilian educational institutions.
- Restructuring the system of education of the young officer corps.
- Giving basic military units—line units—the appropriate prestige.

The creation of sociopolitical and legal conditions for the functioning and development of the Armed Forces in peacetime has fundamental significance in that regard. That means official statements on the issue of national defense and the Armed Forces by the highest national authorities, including the president, the prime minister, the Sejm, and the Senate. An up-to-date military doctrine for the country, the general assumptions of its defense, and clearly defined legal foundations for defense activities and the functioning of the Armed Forces should be developed on that foundation. All that should be given the features of reality through allotting a constant budget (to the extent possible at this stage) and necessary personnel and material limits.

The fact that the process has begun is very encouraging. The style of work and the issues undertaken by the leading organs of state power, and the intense work on executive orders to the revised law on the universal duty to defend the republic, confirm that. The actions must be all the more valued as they were undertaken during the country's complicated economic situation.

The theoretical and planned preparation of the process of transformation of our Armed Forces and construction of a new model is a basic issue. None of the previous

attempts in that regard had much chance of success, due to their ad hoc, highly improvised nature. The directions of change undertaken had neither a deeper theoretical basis (military doctrine, premises of defense of the Republic, operational needs, the state's economic capabilities, or theoretical premises), nor a wider utilization of the achievements of other countries of Central Europe. As a result, they were reduced to implementation of quick, ad hoc reorganization decisions, without conducting fundamental analyses or developing a model or a long-term plan of restructuring of the Armed Forces. Thus the time has come to undertake serious, well-thought-out work in this area. We have all the conditions necessary to begin; they consist of a large personnel and scientific pool, our experience and that of other countries, and the great need for such activity.

There is also a great need at this time to take steps toward the improvement of the bad and ever-worsening attitudes among personnel, and especially among professional personnel. The situation in this area has not been good for many years. Only those who did want to know could not see that. For a long time, the difference between what was said and written officially and what soldiers said among themselves was evident. They were simply two completely different worlds.

Many well-known reasons contributed to the attitudes in previous times. These were chiefly the ever-worsening sociopolitical and economic situation of the country, and the related conditions of training and army life. The rigorous silencing or any form of manipulation of personnel in sociopolitical conflicts, the false interpretation of new phenomena occurring in the country, and the use of the army against social protests, also had a great effect on attitudes.

The change in the political and economic system awakened hope for a swift elimination of these distortions and falsehoods. The expected changes have generally been implemented, but not in the pace and scope hoped for. Many well-known sociopolitical, economic, and intra-army factors, which, in the opinion of personnel, are only in part objective, contribute to this. Uncertainties about the personal fate of professional soldiers, and about the shape of the future Armed Forces, play a fundamental role in that regard.

The formation of correct attitudes among soldiers in basic military service is also an important matter. That is essential for a high level of discipline, military order, and training in military units. It must be emphasized here that the factors affecting attitudes among soldiers in basic military service differ significantly from the factors affecting attitudes among the professional personnel.

The present state of attitudes among soldiers in basic military service is directly connected to their concern about the future after completion of service, and to the worsening living conditions of their parents and siblings. A poor style of leadership and instructional work on the part of some of the younger professional personnel; the

lack of systematic training; and the increasing practice of utilizing soldiers in basic military service for all kinds of manual labor, guard duty, and other service all have a great effect as well.

In the preparatory work discussed here, there must be action aimed at the construction and implementation of new personnel policies. That issue occupies the leading position among the many problems whose resolution is awaited with great impatience. This is the result of the negative evaluation of the principles and prevalent customs which have been applied in this area. Without a resolution of these problems, there will not be a clear improvement in attitudes among personnel, nor motivation to honest service.

Speaking very generally, personnel policy until now has consisted of a beautiful, scientifically developed theory and a much less beautiful practice. Planned preparation, appointment, and advancement to higher positions especially, was based in general on the principle of "the master's wish," and cloaked in great secrecy. It was founded on a lack of clearly specified—and still less followed—criteria for the evaluation of personnel, and ignorance of the genuine results of service. Personnel did not legally deserve anything, and thus the phrase "may" was used (may advance, may decorate, may appoint).

The assumption, promoted in propaganda, that "our personnel system is a healthy, humanitarian, and humane system" did not correspond at all to the truth. At this point, one could write much about the supposedly "obligatory" sincerity, consistency, and tact in personnel work, and also about the "iron rule, that is the principled evaluation of the soldier's work."<sup>1</sup> I think that many present or former professional soldiers could have a great deal to say about these and other fictional principles.

The revised "Law of 30 June 1970 on Military Service of Professional Soldiers" arouses great hope among professional personnel. The regulations introduced in that law reflect the spirit of the sociopolitical changes taking place in the country, hearken to traditions, and break with many principles in force until now. It seems that it will be a good foundation for the development and implementation of fully modern principles of personnel activity in the Armed Forces.

The time has come for personnel activity, especially appointments to higher positions, to be based on an honest assessment of the abilities and work results of professional soldiers. That requires that essential criteria for education, course of service, participation and discipline, work results, and physical fitness and health, be established and consistently followed. All that should be in the open.

The Polish army's long experience in personnel changes shows that the effectiveness of personnel activity cannot be assessed only on the basis of points in programmatic,

planning, or legal documents. The real quality and effectiveness of such activity is rather evident in the following ways:

- The degree to which the army's personnel needs are filled.
- A willingness on the part of lower ranks to improve professional qualifications, and to show honest work.
- The number of personnel possessing the necessary qualifications to occupy high leadership and staff positions.
- The true authority of superiors.
- The opinion of former professional soldiers about the army.

Immediate, perceptible enhancement of the level of organization of work at all levels of leadership is a very important matter. It is true that in past years much attention in the Armed Forces has been paid to the improvement of organization of work and of the processes of leadership and administration. Among other things, such topics were introduced into the programs of instruction at military academies and higher officer schools, as well as into the training programs for professional personnel in military units and institutions. Special cells were organized at the educational institutions, and appropriately oriented scientific research was initiated. Much space in the press and in military science publications was devoted to publicizing the problem, and to a broad exchange of views.

The results of that activity are undoubtedly rich in the purely theoretical realm, and rather poor in practice. There are at least several reasons for that state of affairs. Among the chief ones, one must include the fact that unquestioned theoretical achievements were left in the realm of personnel training, without implementing them in the daily service of military units and institutions, as well as the leadership personnel's weak preparation and unchanged style of work. The accepted principle was that only structural rebuilding of leadership organs and positions is an effective means of responding to increasing tasks, which portended many unfavorable effects. Insufficient support for staff and office activity, in the form of modern technical means, was always characteristic of our army.

On the basis of many years of experience at many levels of leadership, I believe that the failure to act in the full scope of one's authority and responsibilities is one of the more important weaknesses of our system of military leadership. A very unfortunate principle has become practice: One's scope of responsibilities is divided into at least two groups. Very important issues (this usually means current operations) require the daily participation of people in leadership positions, while less important, or unimportant issues could be handed over to subordinates, whose superiors might show only occasional interest in the matter. As a result, many very important areas, chiefly long-term matters, studies, and planning were not in the realm of interest of responsible superiors,



and were reviewed only ad hoc. That leads to many instances of neglect, underestimation of issues, and hasty decisions.

Lack of time was the most common argument for such a style of work. It only showed, however, a lack of ability to lead large groups of people. The use of such arguments calls into question the suitability of such a person to the position held.

It seems also that it is necessary in our Armed Forces to turn more often to solutions and ways of operation that have been used with success in Western countries for many years. Broad cooperation with, and utilization of the achievements of, military and civilian educational institutions and scientific centers is an unavoidable necessity at this stage of development of the Armed Forces. That should be manifested in daily cooperation between specialists in uniform and corresponding civilian specialists; in mutual discussions; in the resolution of problems in mixed teams; in the assignment of military topics to civilian centers, etc. It is imperative to break down the preconceptions and behaviors in that regard that are prevalent here and there. At the same time, it is necessary to strive to be a fully valued partner in such joint discussions. The era of resolving all the problems of the army in the closed circles of its institutions, commands, and staffs has passed irrevocably.

Changes in the system of preparing the young officer corps is one of the pressing problems that must be taken into consideration in order to assure an influx of valuable officers. The Armed Forces has officers that it educates and develops and the country creates opportunities for them to live and function in society. The question then arises regarding what actions should be taken in order to ensure an influx of highly qualified officers, who would have influence on the effective nature of the Armed Forces.

These actions must certainly be complex, and situated appropriately in the civilian and military spheres. They should begin with a fundamental reorganization of the system of military schools: a decrease in the number of schools, abbreviation of the hours of learning, and fundamental restructuring of the programs. The problem of attracting valuable candidates to that difficult career is directly related to this; there must be a principled selection and a guarantee of a high, sufficient standard of schooling and education in the officer schools. The development of ways of raising the professional qualifications of officers in continuing military service, such as a system of academic and specialized professional courses, is a very important matter.

The effects of these actions will depend to a large degree on attempts to ensure that the position of officer enjoys a high degree of prestige in the state and in the army, and on the creation of living conditions for professional personnel and their families which are as good as can be. All this requires the development of a new organization

and new program, consistency in action, and the undertaking of long-term training and educational work.

Finally, the last of the problems suggested for urgent resolution is that of giving line units (regiments, brigades, divisions) the appropriate prestige, and guaranteeing them proper functioning. It seems that no one should have any doubt as to their fundamental significance in the formation of the army's real power and fighting capability. For that reason, they should be the object of the highest interest on the part of superiors, systematic improvement, and complete provision for their needs. Taking existing internal and external conditions into consideration, it is necessary to undertake such actions so that military units present in the peacetime structure of the armed forces have the financial, material, and ranking conditions necessary for life and training. If there are no other possibilities, this must be accomplished through increasing the number of units formed anew.

It is also necessary to create conditions so that service in the units will be an honor, and a requisite for success in further military service. It seems that one could study the advisability of putting into practice one of the principles of personnel in the Second Republic period: a requirement that one must lead a regiment when advancing to the rank of colonel. In past times, a lot was said—and, as usual, that was the end of it—about raising the prestige of that rank and limiting the number of positions. The criterion I have mentioned would probably be rather effective.

The modern Armed Forces are too complex and costly an organism for it to be possible to restructure them completely in a short time and for short-term needs, or take a ready-made model from another country. The structure and functioning principles of the Armed Forces depend upon many factors: on the environment in which they act, on their purpose (the concept of utilization), and on the country's economic situation. National traditions also play a definite role. Therefore, the development or restructuring of the Armed Forces must have an honest theoretical base, a planned course, and full protection. Our Armed Forces face such a test, and they must pass it with high marks.

#### Footnote

1. "Principles of Personnel Activity in the Armed Forces of the People's Republic of Poland, Part I: The Course of Military Service of Professional Soldiers." *Personnel* 47/83, pp 5-13.

**Agreement on Origin of Goods in Triangle Signed**  
92EP0444A Warsaw RYNKI ZAGRANICZNE in Polish  
No 58, 14 May 92 p 2

[Article by (M.M.): "Tariff Rules in the Triangle"]

[Text] After signing agreements on association with the EC, Poland, Hungary, and Czechoslovakia found better

conditions for commercial exchange in the countries of the Twelve than among themselves. Meetings of bureau chiefs of the Visegrad Triangle countries, aimed at lifting the disadvantageous differences in individual sectors of the economy, have been going on for several months.

The first step toward setting regulations within the Triangle in order was the signing in Warsaw of a tariff agreement concerning the application of the agreements with the European Community. For the Polish side, that was carried out by Miroslaw F. Zielinski, president of the Chief Tariff Bureau; his counterparts for Czechoslovakia and Hungary were Jiri Hronovsky and Mihaly Arnold.

The agreement concerns the rules on the origin of goods. Thanks to the agreement, goods originating in the Triangle countries will be treated on the EC market as if they came from a common customs zone. That will increase the scope of customs preferences which Polish goods can benefit from in those markets.

"We hope," President Miroslaw Zielinski told RYNKI ZAGRANICZNE, "that it will clearly improve Polish export potential to Western Europe. For the technical problem is complicated by the rules of origin. In general, if a product manufactured in Poland was composed of raw materials or semifinished products that were imported, the product was not treated as Polish in the EC countries because of a degree of manufacture that was too low. The signed agreement guarantees that if the production components in, for example, a Hungarian product originate in Poland, such a product will be treated as completely Polish in Community countries."

According to President Zielinski, we are prepared to implement the agreement. As the main agreement on association comes into effect, the tariff administration, together with the National Economic Chamber, is issuing a so-called certificate of origin of goods (EUR I and II). In issuing such certificates, we will treat our Triangle partners the same as Italy or France.

The agreement works both ways. If a commodity produced in a member country of the EC is composed of materials from Hungary or Czechoslovakia, it will also be treated fully as an EC product.

#### Article Reviews Condition of Weapons Industry

92EP0483C Warsaw RZECZPOSPOLITA  
(ECONOMY AND LAW supplement) in Polish  
2 Jun 92 p III

[Article by Katarzyna Jedrzejewska: "Weapons Industry Statistics: Capacity Underutilization, Low Revenues"]

[Text] *As recently as last October certain enterprises producing for the needs of the military still had the status of arms enterprises. Now they no longer have that status, which does not mean that they ceased to produce for the needs of the military. Altogether, there are about 100 weapons enterprises. If we also consider supplier plants, the total of plants producing for defense needs rises to 400.*

*The share of weapons production in the overall output of enterprises of that sector ranges from several to 80 percent.*

To most of the plants the parent agency is the Ministry of Industry and Trade. To the remainder, chiefly repair and manufacturing plants, the parent agency is the Ministry of National Defense.

The principal subsectors of the arms industry are:

- Ammunition-missile and classic weapons; this branch manufactures chiefly small arms, ammunition, and missiles (e.g., Lucznik Metal Works in Radom, Tarnow Machinery Works in Tarnow, Mesko Metal Works in Skarzysko-Kamienna, and Dezamet Metal Works in Nowa Deba).
- Optoelectronics and radio electronics (e.g., Industrial Optics Center in Warsaw, Warel Electronic Plants in Warsaw, Niewiadow Precision Equipment Plants in Niewiadow).
- Armor (e.g., Bumar-Labedy Machinery and Equipment Conglomerate).
- Aviation, producing helicopters, multipurpose aircraft, and sports aircraft (Swidnik Aviation Industry Plant, Mielec Aviation Industry Plant, Rzeszow Aviation Industry Plant, Warsaw-Okecie Aviation Industry Plant).
- Marine, construction of landing craft, reconnaissance ships, hydrographic ships (e.g., Northern Shipyard in Gdansk, Naval Shipyard).

In recent years the extent of special weapons production ("S") has been steadily decreasing. That is due to the dwindling customer demand for weapons and military hardware and the growth of competition on foreign markets. In 1991 "S" output fell by 10 percent compared with 1990 and accounted for 1.1 percent of the aggregate output of the processing industry.

The demand barrier and, in effect, the decline in the production of weapons and military hardware are causing the financial situation of the enterprises to grow worse with each year, especially those that for years have been specializing in weapons production. Nearly one-half of the enterprises basic to weapons production closed 1991 in the red. "S" production capacity was utilized 18-19 percent, and civilian production capacity 60 percent. In the event of the threat of war the weapons plants have to maintain reserve production capacity.

Comparisons of economic performance indicate that the best results in 1991 were achieved by the shipbuilding industry, with the aviation and armor industries lagging greatly behind.

In 1991 the sales volume of the weapons industry was 5.6 trillion zlotys [Z] in the first quarter, Z5.1 trillion in the second, Z3.6 trillion in the third, and Z5.9 trillion in the fourth. Last year's budget of the Ministry of National

Defense earmarked Z6.466 trillion for the acquisition of weapons and hardware (under the Budget Act). In reality, however, the ministry's purchases totaled only Z2.9 trillion. The 1992 draft budget envisages only half as much: Z3.259 trillion. Before transmitting the draft budget to the Upper Chamber, the Sejm's Economic Policy, Budget and Finance Committee proposed adding Z300 billion to the amount earmarked for the acquisition of technical equipment.

Nearly every weapons enterprise nowadays has payment problems. Generally, in 1991, obligations exceeded accounts receivable and by year end reached 125 percent compared with the accounts receivable. In the first half of 1991 debts exceeded income at 48 percent of enterprises and by December at as many as 57 percent.

More than one-half of the obligations were owed to the banks; about 30 percent, to other enterprises, and about 16 percent to the national budget.

In the structure of accounts receivable the biggest item was unpaid invoices for goods and services. By the end of 1991, the amounts owed the Ministry of National Defense for shipments of weapons and military hardware amounted to about Z1 trillion, plus about Z1.5 trillion for past exports to the countries of the former USSR. The talks underway at the governmental level for reimbursement of the monies owed for the weapons and equipment supplied by Poland have so far produced minimal effects.

Their poor financial performance and the excess of debts over income caused nearly one-half of the weapons enterprises to lose their credit status. Some of the enterprises are trying to explore new markets for their products and, to that end, establish ties with Western companies. Here, the most active are the Mesko Works in Skarzysko-Kamienna, Radwar in Warsaw, and Bumar-Labedy in Gliwice. The last one intends to build crane subassemblies for Krupp, a dump truck with a 32-tonne capacity for Volvo, and power shovels for Russia, Czechoslovakia, Egypt, and China.

At present, ownership transformations are viewed as affording an opportunity to improve the industry's situation. Restructuring measures have already been taken at some of the enterprises. The old Pronit Plastics Works Pionki, following the decision of the Ministry of Industry and Commerce, split into three enterprises, two of which, Pronit and Tekstpur Plastics Plant, retained the status of state enterprises, while the third, Fam-Simatex, was established as a joint stock company superseding the

department for the manufacture of ammunition for hunters. Eighty-two percent of stock in Fam-Simatex is owned by Pronit and 18 percent by a private shareholder who, following the ownership transformation, declared that he will continue the production of ammunition for hunters.

On 13 May the Socioeconomic Committee of the Council of Ministers resolved that 11 arms plants would retain their status as state enterprises and their parent agency will remain the Ministry of National Defense. At the same time 10 other plants—of basic importance to national defense—were transformed into one-person treasury companies on the basis of new legal solutions prepared by the Ministry of Ownership Transformation (the Council of Ministers will probably be empowered to extend the duration of the one-person treasury company status for those enterprises). Seventeen other enterprises are tentatively to be transformed into joint stock companies with majority or controlling shares to be held by the State Treasury (among others: Mielec Aviation Industry Plants, Bumar-Labedy, Warsaw-Okecie Aviation Industry Plants). The remaining defense-industry enterprises were authorized to undergo unrestricted ownership transformations. Stock in them will be made accessible to the public under the state's monitoring.

#### [Box, p III]

#### Export and Import

Since 1986 Poland has been exporting weapons at the rate of \$92 million annually, which, taken together for four years (we only have figures for up to 1990), yields \$462 million. For comparison, during the same period Czechoslovakia exported \$1.674 billion in weapons.

Our weapons imports have been much larger: \$1.057 billion in 1986; \$1.007 billion in 1987; \$1.147 billion in 1988; \$1.179 billion in 1989; and \$330 million in 1990, or altogether \$4.719 billion.

The negative Polish list consists of two parts: A and B. List A comprises seven countries to which weapons exports are totally prohibited: Afghanistan, Burma, Mozambique, El Salvador, Somalia, Sudan, and Taiwan. In addition, nowadays weapons prohibitions apply to Iraq and Yugoslavia. On List B there are five countries to which any arms shipment requires prior approval by the Ministry of Internal Affairs: Iran, Israel, Libya, Syria, and the Republic of South Africa.

(Based on *Stockholm International Peace Research Institute 1991 Yearbook*)

### Serbs Want To Exchange Villages With Croats

AU2406150092 Zagreb NOVI VJESNIK  
in Serbo-Croatian 10 Jun 92 p 1

[Article by Ivica Marijagic: "Smokvic People Want To Go to Serbia"]

[Excerpt] Zadar—A delegation of the people of Smokvic near Zadar, the biggest and only place [as published] with an exclusively Serbian population in the whole Zadar municipality, has recently asked highly placed military and civil officials in Belgrade to find an adequate Croatian village in Vojvodina or Serbia in which the entire population of Smokvic could settle. At the same time, they suggest that the Croats from that place be moved to Smokvic.

This information was given to a member of the command of the defense of the Zadar sector by the people of Smokvic themselves. Their demand will doubtless cause some reaction from the public. However, one thing is clear: The Smokvic people have had quite enough of the war. Most of them have been in exile from the beginning of the aggression, since their village is near Zemunik Donji, which means on the first front line and exposed to the returning of fire by the Croatian Army, as it is attacked by the occupying army from Smokvic itself. While the war was at its worst, it was from Smokvic that the attacks were launched on Zemunik Donji, Zadar, and other Croatian places. The occupying army has made Smokvic one of its strongholds, armed the local population, and has been launching ruthless attacks from there. The majority of the men from Smokvic have joined either the occupying army or the Chetniks. Just before

the war, knowing what was coming, a group of reasonable local people did not want the occupying army in their village, but those more extreme quickly and brutally eliminated them. [passage omitted]

### Police Beating of Kosovo Croats Protested

AU2306164492 Zofingen RILINDJA in Albanian  
18 Jun 92 p 3

[Unattributed report: "Even Travelers Are Mistreated and Provoked"]

[Text] The group of the PSHDK [Albanian Christian Democratic Party] that includes Janjevo says in a protest made yesterday that the Serbian police beat 45 Croat peasants near Badovc on 13 June this year while they were returning from the mass of the patronal festival of the Church of Saint Antony in Pristina. This case shows very clearly that the non-Serbs are not safe at any time on any road of Kosovo. The Serbian police stopped by force, beat, and mistreated the peasants of Janjevo that night only because they were in a large crowd returning from a common religious festival at the same time that the Serbian military police forces wounded and injured believers and clergy of the Church of St. Antony in Gjakove [Djakovica]. It is not known whether the Serbian police synchronized this action against the participants in the masses in those two churches, the only churches on Albanian soil to bear St. Antony's name, but it is known that they both occurred at about the same time. Such serious provocations with their physical and psychological harm are another sign that the Serbian wielders of power have another purpose in further encouraging the emigration of Croats from Janjevo, from where 200 families have already emigrated within the last few months alone, the protest states.

### Kosovo Government Expected To Be Formed

AU2406150192 Belgrade BORBA in Serbo-Croatian  
10 Jun 92 p 4

[Article by R. Barjaktarevic: "Peace or the Smell of Gunpowder"]

[Text] Ibrahim Rugova, the leader of the Kosovo Albanians, is now in a very delicate situation. Either peace is maintained in Kosovo, with the inevitable tension, or the Kosovo powder keg goes up in flames. There will be no conflict in Kosovo and Metohija, or the opening of the "southern front," unless some new Albanian state is formed on the Serbian territory—for which the leaders of the Albanian separatist movement are "ready." Whether Ibrahim Rugova will be able to resist the pressure put on him from abroad and by his people will be known probably this week. We found out from well-informed circles that an agreement has been reached that "there is nothing to wait for; the parliament and government should be proclaimed immediately." That is most likely because "we should, at any cost, preempt the constitution of the federal Yugoslav parliament."

However, the question remains of how to proclaim the "parliament of the Republic of Kosovo" and still avoid war. Then there is the question of "what will those people say who want the proclamation to be a solemn and expensive ceremony," while Rugova wants it to be "without any pomp or display, something like the Serbian Krajinas in Croatia and Bosnia-Herzegovina." Rugova has promised not to do anything by force, including the constitution of the parliament and government, so "there is no need for war." Since the "parliament is to be proclaimed this week," or as Rugova said, "one of these days," it will certainly be done secretly.

The reasoning on one side is "that Kosovo will have nothing to do with the new Yugoslavia, since it was constituted before it." On the other side, lawyers say "that libel cannot be the cause of declaring war on the Albanians." Everything else remains to be seen.

Another disputable thing is who is supposed "to call the first newly elected parliament." According to some, it should be done by Iljaz Ramajli, the present "president of the Kosovo Assembly in exile." Others say that it can be done by "the prime minister of the Republic of Kosovo" Bujar Bukoshi (it is unknown who gave him that title and when, but he is known as "the prime minister of the interim government of the Kosovo

Assembly"). There is a third group, largest in number, that insists that this act should be performed by "the president of the Republic of Kosovo," Ibrahim Rugova. There is also an initiative to have the oldest "representative of the republican parliament" perform the act.

Then there is the question of who will inform the public about the constitution of "the Kosovo republican parliament" if there are no reporters present at the ceremony. According to some, "the announcement can be published in the press," regardless of whether it came from the Democratic Alliance of Kosovo, or "the information center" of the former "Kosovo Assembly." Another possibility is that it should be announced at the first news conference of the Democratic Alliance of Kosovo by Ibrahim Rugova himself "as a salute to the new authorities." Finally, one option is that "foreign media should be the first ones to report on it," and then it is to be followed by "an avalanche of support and congratulations," with the expected EC recognition of "independence." In that way, they reason, local reporters would be "spared the risk of persecution and arrest," if they remained "outside the event."

Be that as it may, the first "constitutional session" of the Kosovo "republican parliament" would, according to some sources, be very brief. The representatives' slips would be counted, the former "assembly and government" dismissed, and a short speech given by Ibrahim Rugova, who is expected to name the "prime minister of the Republic of Kosovo" and ask him to "form the government."

### Demobilized JNA Soldiers Deported to Macedonia

92P20323A

[Editorial Report] Skopje NOVA MAKEDONIJA in Macedonian on 10 June on page 4 reports that Serbia deported more than 170 demobilized soldiers from the former Yugoslav People's Army (JNA) to Macedonia over the border at Tabanovce near Kumanovo. The soldiers were Muslims and Croats from Bosnia-Herzegovina who were unable to travel to their homes from Serbia.

NOVA MAKEDONIJA on 14 June on page 3 adds that a group of 200 demobilized soldiers left Macedonia on 12 June for Croatia with the help of the Macedonian Red Cross. Meanwhile, in the villages of Lojane and Vaksince, where the demobilized soldiers are staying, 70 refugee Muslims from Serbia are awaiting assistance from the Red Cross to reach Bosnia-Herzegovina.



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